Thomas Jefferson

Planning District Commission

Financial Report

Year Ended June 30, 2024

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS
FOR THE YEAR JUNE 30, 2024

OFFICERS

Ned Gallaway, Chairperson
Tony O'Brien, Vice Chairperson
Keith Smith, Treasurer

COMMISSIONERS

City of Charlottesville

Michael Payne*
Philip d'Oronzio

Albemarle County

Ned Gallaway*, Chairperson
Mike Pruitt*

Fluvanna County

Tony O'Brien*, Vice Chairperson
Keith Smith - Treasurer

Greene County

Tim Goolsby*
James Higgins

Louisa County

Manning Woodward*
Tommy Barlow*

Nelson County

Jesse Rutherford*
Ernie Reed*

* Denotes local elected official

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

TABLE OF CONTENTS

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

TABLE OF CONTENTS

Independent Auditors' Report

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Thomas Jefferson 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 governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of June 30, 2024, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Thomas Jefferson Planning District Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Thomas Jefferson 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Thomas Jefferson 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 Thomas Jefferson Planning District Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2024, on our consideration of Thomas Jefferson 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 Thomas Jefferson 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 Thomas Jefferson Planning District Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 29, 2024

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
CHRISTINE JACOBS, EXECUTIVE DIRECTOR
LAURA GREENE, FINANCE DIRECTOR

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Its purpose is to provide an overview of the financial activities of the Thomas Jefferson Planning District Commission (TJPDC) based on currently known facts, decisions, and/or conditions.

USING THIS REPORT AND FINANCIAL STATEMENTS

The annual report consists of the management's discussion and analysis, financial statements on government-wide and fund basis, supporting schedules, compliance reports, and the schedule of expenditures of federal awards. The government-wide financial statements present financial information for all activities of the TJPDC. The fund-basis financial statements concentrate on separate sets of self-balancing accounts.

FINANCIAL HIGHLIGHTS

For FY24, TJPDC had total revenues of $36,629,693 and total expenditures of $36,165,907 resulting in a general fund balance increase of $463,786. Included in revenues and expenditures are $775,261 in HOME and HOME-ARP pass-through, $168,832 in Housing Preservation Grant (HPG) pass-through, $2,839,772 in Blue Ridge Cigarette Tax Board revenues and expenses, and $30,178,210 in Virginia Telecommunication Initiative (VATI) Broadband Revenues and Expenses. The FY24 audit calculates the indirect cost rate based on actual indirect costs divided by the total staff salary and fringe costs applied to projects for the year. That calculated rate is 41%, compared to 56% in FY23.

The General Fund

The General Fund is the general operating fund of the Commission. It is used to account for and report financial resources outside of the grant-funded programs that make up most of the budget. These consist of locality contributions, locally funded projects, state allocation, interest earned, and rental revenue from the Water Street Center and office spaces.

The following table (Table 1) is a summary of the General Fund's revenues and expenditures for the years ended June 30, 2024, and 2023:

TABLE 1 - GENERAL FUND REVENUE AND EXPENDITURES

	FY 2024	FY 2023	Change From FY 2023
Revenue……	$ 403,227	$ 332,720	$ 70,507
Expenditures ……	(60,379)	192,400	(252,779)
Excess revenue over expenditures……	$ 463,606	$ 140,320	$ 323,286
Other financing - transfers in / (out)……	180	(6,415)	6,595
Net change in fund balance……	$ 463,786	$ 133,905	$ 329,881
Fund balance, beginning……	1,060,113	926,208	
Fund balance, ending……	$ 1,523,899	$ 1,060,113	

FINANCIAL HIGHLIGHTS: (CONTINUED)

The General Fund: (Continued)

During FY24, General Fund revenues increased by $70,507 from $332,720 in FY23 to $403,227 in FY24. Expenditures decreased $252,779 from $192,400 in FY23 to negative $60,379 in FY24. Net change in Fund balance for FY24 was $463,786, $329,881 more than the FY23 change of $133,905.

Primary changes between FY23 and FY24 were:

- Local contracts in FY24 included the Virginia Association of Planning District Commissions (VAPDC), Solid Waste Planning Unit (SWPU), the Rivanna River Basin Commission (RRBC), the Regional Transit Partnership (RTP), and the local per capita funds. New local programs initiated in FY24 include the Comprehensive Plan for the Town of Mineral. The Stanardsville Transportation Alternatives Program (TAP) was inactive in FY24.

- Revenue from the use of money and property increased from $57,406 in FY23 to $87,373 in FY24, due to an increase in interest earned and an increase in rentals of the Water Street Center and sub-tenant rents.

- Administrative expenses in FY24 were negative; $60,379 compared to $192,400 in FY23, a decrease of $252,779. The decrease in administrative expenses can be attributed to several factors, which include but are not limited to the following: a higher indirect cost rate and allocation; resignation of the Planning & Transportation Director; a vacant Planner III position; the completion of a contract for accounting services; and the allocation of all eligible direct expenses to programs.

Special Revenue Funds

Special Revenue Funds are the grant funds and other revenues dedicated to specific programs and projects. Special Revenue Fund income accounts for the vast majority of funds coming to the TJPDC. For FY23 and FY24, Virginia Telecommunication Initiative (VATI) Broadband, through the Coronavirus State and Local Recovery Fund, was classified as a major program because it met the threshold of $750,000 in federal funding.

A summary of the Commission's Statement of Activities is presented below on a full accrual basis.

TABLE 2 - STATEMENT OF ACTIVITIES

		FY 2024		FY 2023		Change From FY 2023
Federal Grant Revenues	$	26,926,920	$	12,765,316	$	14,161,604
Non-Federal Grant Revenues		9,299,546		6,130,717		3,168,829
Special Fund Revenues	$	36,226,466	$	18,896,033	$	17,330,433
General Fund Revenues	$	403,227	$	332,720	$	70,507
Total Revenues	$	36,629,693	$	19,228,753	$	17,400,940
Current Operation Expenses	$	34,947,673	$	18,468,455	$	16,479,218
Pass-Through Funds		929,095		517,298		411,797
Total Expenses	$	35,876,768	$	18,985,753	$	16,891,015
Excess of Revenues over/(under) Expenses	$	752,925	$	243,000	$	509,925
Capital Outlays and Depreciation, net		(100,582)		(73,229)		(27,353)
Change in Net Position	$	652,343	$	169,771	$	482,572

FINANCIAL HIGHLIGHTS: (CONTINUED)

Special Revenue Funds: (Continued)

During the fiscal year ended June 30, 2024, Special Fund Revenues totaled $36,226,466, an increase of $17,330,433 from FY23's total of $18,896,033. Pass-through funds were $929,095 compared to $517,298 in FY23. FY24 Special Fund Revenues consisted of:

- $787,495 in federal funds, $224,839 in state funds, and $211,201 in local funds for transportation programs through the Virginia Department of Transportation and the Virginia Department of Rail and Public Transportation. This included funds for the Charlottesville-Albemarle Metropolitan Planning Organization (MPO), Rural Transportation, Safe Streets & Roads, Rideshare, Mobility Management, Commuter Assistance Program Strategic Plan, Nelson Transportation Alternatives Program, and the Regional Transit Governance Study.

- $871,230 for the HOME and HOME-ARP programs, funded through the US Department of Housing and Urban Development (HUD). Of which, $95,946 was used for administrative expenses.

- $2,839,772 for the Blue Ridge Cigarette Tax Board.

- $30,178,210 for the Virginia Telecommunication Initiative (VATI) Broadband program.

- $1,113,719 for other governmental funds, including the Southeast Crescent Regional Commission (SCRC), the Legislative Liaison program, Hazard Mitigation Planning, EDA's Comprehensive Economic Development Strategy (CEDS), USDA's Housing Preservation Grant (HPG), the Central Virginia Regional Housing Partnership (CVRHP), the RHP Housing Summit FY25, the Virginia Eviction Reduction Pilot Program (VERP), the Virginia Housing Development Grant, the Watershed Implementation Plan (WIP) and the Nelson County Rain Barrel Workshop.

YEAR-END ANALYSIS OF THE COMMISSION

During FY24, the Commission's net position increased by $652,343. A summary of the Commission's Statement of Net Position is presented below:

TABLE 3 - STATEMENT OF NET POSITION

	FY 2024	FY 2023	Change From FY 2023
Current and Other Assets	$ 8,909,370	$ 6,032,416	$ 2,876,954
Capital Assets, net	134,742	235,324	(100,582)
Total Assets	$ 9,044,112	$ 6,267,740	$ 2,776,372
Deferred Outflows of Resources	$ 22,203	$ 16,638	$ 5,565
Total Assets and Deferred Outflows	$ 9,066,315	$ 6,284,378	$ 2,781,937
Long-term Liabilities	$ 71,842	$ 165,926	$ (94,084)
Current Liabilities	6,854,818	$ 4,626,376	$ 2,228,442
Total Liabilities	$ 6,926,660	$ 4,792,302	$ 2,134,358
Deferred Inflows of Resources	$ 115,587	$ 120,351	$ (4,764)
Investment in Capital Assets	$ 7,929	$ 13,347	$ (5,418)
Restricted Net Position	667,217	474,726	192,491
Unrestricted Net Position	1,348,922	883,652	465,270
Total Net Position	$ 2,024,068	$ 1,371,725	$ 652,343
Total Liabilities, Deferred Inflows and Net Position	$ 9,066,315	$ 6,284,378	$ 2,781,937

YEAR-END ANALYSIS OF THE COMMISSION: (CONTINUED)

Total Liabilities and Net Position shows a snapshot of receivables and payables on June 30, 2024; the change from FY23 reflects a $652,343 increase in net position. Liabilities increased due to the following:

- Accounts payable increased by $2,163,221 primarily due to payables associated with the VATI and the Department of Transportation programs.

- Lease Liability decreased due to an additional year of rent payments on the 5-year lease. The TJPDC now has three months in long term liabilities instead of one year.

- Deferred Revenue increased by $57,455, primarily due to the receipt of HOME program income and not earning funds for current projects by June 30, 2024.

ORIGINAL BUDGET VS FINAL BUDGET

Budget requests to local governments were submitted between October 2022 and January 2023. In accordance with the Bylaws, the Commission adopted the original FY24 operating budget at their May 4, 2023, meeting. This budget was used for the submission to the Virginia Department of Housing and Community Development (DHCD) along with the FY24 Work Program. The Commission adopted the final amended budget at their March 7, 2024, meeting, reflecting updated projections of revenues and expenditures, particularly in the VATI program. The March 7th budget was used for financial reporting to the Commission for FY24.

Federal Revenues: Federal revenues decreased significantly between the original budget and the final budget primarily due to updating the progress on the 3-year Virginia Telecommunication initiative (VATI) Broadband program. Changed construction schedules, supply chain issues, and labor shortages all contributed to slower progress than expected for FY24. Additionally, the final budget reclassified a portion of the VATI federal revenue to local revenues for the localities not using Federal Funds.

State Revenues: State grants increased slightly as the net result of an additional VA Housing Tier II grant for a contractual consultant on the Regional Housing Partnership, the anticipated increase in spending on the Virginia Eviction Reduction Pilot Program (VERP), and the anticipated decrease in spending on the 3-year VA Housing PDC Development grant.

Local Revenues: Local revenues increased between the original budget and the final budget for several reasons. The largest portion of the increase is the reclassification of revenues from federal source to local source as noted above for the VATI program. Additionally, the revenue projections from the Blue Ridge Cigarette Tax Board increased based on actual tax collection data. Revenues from the use of property increased between the two budgets due to increased rental rates for the Water Street center and sub-leased office space. Finally, the anticipated reserve transfer to balance the budget was not needed and therefore not included in the revised final budget.

Local Contributions: The Commission approved equalized member assessments for FY24 based on the 2022 Provisional Weldon Cooper Population Estimates and a $0.64 per capita rate. The Commission adopted the Projected FY24 budget at their October 7, 2022, meeting to serve as the basis for budget requests to the member localities. The FY24 budget requests were slightly higher than FY23, due to population increases. The total request for Legislative Liaison was based on a per capita rate of $0.40, a change instituted with the FY18 budget. The Solid Waste total of $10,500 was unchanged from FY23, with small changes among the localities due to relative changes in population. RideShare requests remained unchanged from FY23 and were collected to cover the required match for the state funding. An assessment for RideShare was included in the budget submission to Greene County, however, Greene County chose not to participate in

ORIGINAL BUDGET VS FINAL BUDGET: (CONTINUED)

the program. The budget requests also included $10,500 for the Rivanna River Basin Commission (RRBC) for localities within the watershed (Charlottesville, Albemarle, Fluvanna and Greene) with all four localities providing the requested funding for the RRBC for FY24, as well as a request for $50,000 for the Regional Transit Partnership for the urban localities (Charlottesville and Albemarle) and a $50,000 request for the Regional Housing Partnership for all member jurisdictions. Local contributions fulfill the required local matches for the following programs to receive state and federal funding: Rural Transportation (RTAC), Charlottesville-Albemarle Metropolitan Planning Organization (CA-MPO), Mobility Management, and Watershed Improvement Program (WIP).

Operating Expenditures: Personnel Costs decreased significantly between the original and final budget due to the resignation of the Transportation and Planning Director and other staff transitions that left positions vacant for several months during the hiring process.

Operating Expenditures: Direct Costs decreased significantly between the original and final budget for a variety of reasons. Contracted financial support required during the transition of the Finance Director ended sooner than anticipated. Anticipated spending on professional development and the associated travel was expected to decrease. Janitorial costs decreased because of changing the time of day the work was performed.

FINAL BUDGET VS ACTUAL RESULTS

A summary of the Commission's Final Budget (see Exhibit 7 for detail) is presented below:

TABLE 4 - BUDGET TO ACTUAL

	Budget	Actual	% of Budget
REVENUES (INFLOWS)			
Federal grants…………………………	$ 17,473,205	$ 25,997,825	148.79%
Federal pass-through………………	1,340,639	929,095	69.30%
State grants……………………………	1,154,129	838,859	72.68%
Localities…………………………………	5,653,720	5,938,264	105.03%
Miscellaneous sources………………	3,014,000	2,925,650	97.07%
	$ 28,635,693	$ 36,629,693	127.92%
EXPENDITURES (OUTFLOWS)			
Operating expenses……………	$ 26,991,642	$ 35,236,812	130.55%
Pass-through expenses………	1,340,639	929,095	69.30%
	$ 28,332,281	$ 36,165,907	127.65%

FY24 total revenues were 127.92% of budgeted revenues. Actual revenues from federal grants and localities were more than budgeted for the following reasons:

- Federal revenues for the VATI program were greater than expected due to outside partners completing make-ready work in an expedited manner. $24,931,131 of the federal revenue can be attributed to VATI.

- Local revenues for the VATI program were greater than expected due to outside partners completing make-ready work in an expedited manner. $5,247,079 of the local revenues can be attributed to the VATI program. Additionally, local revenues for the HOME program were greater than expected due to $14,998 of program income.

FINAL BUDGET VS ACTUAL RESULTS: (CONTINUED)

Actual revenues from Federal pass-through, State grants, and miscellaneous sources were less than budgeted for the following reasons:

- Federal pass-throughs were 69.3% of the budgeted amount due to decreased spending by sub-recipients of HOME funds ($1,132,174 budgeted vs $760,263 actual).

- Actual State revenues were 72.68% of the budgeted amount due to decreased spending by sub-recipients of VA Housing Development program funds ($471,809 budgeted vs. $174,935 actual). The anticipated work that was not completed in FY24 will be completed in FY25 and FY26.

- Actual Miscellaneous revenues were 97.07% of the budgeted amount due to decreased BRCTB cigarette tax revenue collections ($2,965,000 vs $2,838,277).

- The greatest variance in Expenditures was in Operating Expenses due to the VATI program ($21,201,556 budgeted vs. $30,178,210 actual).

- In general, unrealized revenues carry forward to FY25 (except for certain MPO funds which roll-over into FY26 and RideShare funds, which are unrecoverable).

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
As of June 30, 2024

		Governmental Activities
Assets:		
Current assets:		
Cash and cash equivalents	$	1,514,475
Receivables, net		1,819,230
Due from other governments:		
Federal		4,702,060
State		189,076
Prepaid expenses		17,312
Total current assets	$	8,242,153
Noncurrent assets:		
Net pension asset	$	667,217
Capital assets (net of depreciation):		
Leasehold improvements, leased building, vehicles, furniture and equipment		134,742
Total noncurrent assets	$	801,959
Total assets	$	9,044,112
Deferred Outflows of Resources:		
Pension deferrals	$	-
Group life insurance OPEB deferrals		22,203
Total deferred outflows of resources	$	22,203
Total assets and deferred outflows of resources	$	9,066,315
Liabilities:		
Current liabilities:		
Accounts payable	$	6,284,888
Compensated absences, current portion		34,764
Lease liability, current portion		101,800
Unearned revenue		433,366
Total current liabilities	$	6,854,818
Noncurrent liabilities:		
Net group life insurance OPEB liability	$	38,138
Lease liability, net of current portion		25,013
Compensated absences, net of current portion		8,691
Total noncurrent liabilities	$	71,842
Total liabilities	$	6,926,660
Deferred Inflows of Resources:		
Pension deferrals	$	98,662
Group life insurance OPEB deferrals		16,925
Total deferred inflows of resources	$	115,587
Net Position:		
Net investment in capital assets	$	7,929
Restricted - Net pension asset		667,217
Unrestricted		1,348,922
Total net position	$	2,024,068
Total liabilities, deferred inflows of resources and net position	$	9,066,315

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary Government					
Governmental activities					
Passed-through to other agencies	$ 929,095	$ -	$ -	$ 929,095	$ -
Programs administration:					
Office	388,481	(643,454)	-	-	254,973
Department of Transportation	711,784	194,664	-	906,448	-
Department of Housing and Urban Development	24,943	86,024	-	110,944	(23)
Department of Homeland Security	86	39	-	125	-
Department of Commerce	59,204	8,003	-	67,207	-
Environmental Protection Agency	49,935	34,317	-	84,252	-
Southeast Cresent Regional Commission	15,731	7,269		23,000	-
Department of Housing and Community Development	30,516,672	96,544	-	30,613,216	-
Blue Ridge Cigarette Tax Board	2,789,973	55,656	-	-	(2,845,629)
US Department of Agriculture	193,609	18,032	-	211,641	-
Virginia Department of Rail and Public Transportation	219,565	97,522	-	317,087	-
Legislative Liaison	78,272	45,384	-	123,656	-
Total governmental activities	$ 35,977,350	$ -	$ -	$ 33,386,671	$ (2,590,679)

General Revenues	
Intergovernmental revenue not restricted to specific programs	$ 317,372
Other local taxes - Cigarette tax	2,838,277
Revenue from use of money	87,373
Total general revenues	$ 3,243,022
Change in net position	$ 652,343
Net position, beginning of year	1,371,725
Net position, end of year	$ 2,024,068

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

Fund Financial Statements

Balance Sheet
Governmental Funds
As of June 30, 2024

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development	Blue Ridge Cigarette Tax Board	Broadband	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	$ 1,375,715	$ -	$ 82,997	$ 54,923	$ 840	$ -	$ 1,514,475
Receivables (net of allowance for uncollectibles):							
Accounts	9,654	-	-	234,372	1,574,644	560	1,819,230
Due from other governments:							
Federal	-	229,028	21,913	-	4,210,468	240,651	4,702,060
State	-	48,131	-	-	-	140,945	189,076
Due from other funds	152,185	123,859	-	-	2,826	-	278,870
Prepaid items	17,312	-	-	-	-	-	17,312
Total assets	$ 1,554,866	$ 401,018	$ 104,910	$ 289,295	$ 5,788,778	$ 382,156	$ 8,521,023
Liabilities:							
Accounts payable and accrued expenses	$ 21,486	$ 173,545	$ -	$ 220,598	$ 5,746,853	$ 122,406	$ 6,284,888
Due to other funds	-	-	22,414	27,697	-	228,759	278,870
Unearned revenue	9,481	227,473	82,496	41,000	41,925	30,991	433,366
Total liabilities	$ 30,967	$ 401,018	$ 104,910	$ 289,295	$ 5,788,778	$ 382,156	$ 6,997,124
Fund Balance:							
Nonspendable:							
Prepaid items	$ 17,312	$ -	$ -	$ -	$ -	$ -	$ 17,312
Committed:							
Capital reserve	854,321	-	-	-	-	-	854,321
Unassigned	652,266	-	-	-	-	-	652,266
Total fund balance	$ 1,523,899	$ -	$ -	$ -	$ -	$ -	$ 1,523,899
Total liabilities and fund balance	$ 1,554,866	$ 401,018	$ 104,910	$ 289,295	$ 5,788,778	$ 382,156	$ 8,521,023

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2024

Total net position reported for governmental activities in the statement of net position are different because:		
Total fund balance for governmental funds (Exhibit 3)		$ 1,523,899
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Depreciable capital assets, net of accumulated depreciation	$ 134,742	
Total capital assets		134,742
The net pension asset is not an available resource and, therefore, is not reported in the funds.		667,217
Items related to measurement of the net pension asset and net GLI OPEB liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and GLI expense over future years.		
Pension deferrals - Deferred outflows		-
Group life insurance OPEB deferrals - Deferred outflows		22,203
Pension deferrals - Deferred inflows		(98,662)
Group life insurance OPEB deferrals - Deferred inflows		(16,925)
Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances of long-term liabilities affecting net position are as follows:		
Net group life insurance OPEB liability	$ (38,138)	
Lease liability	(126,813)	
Compensated absences	(43,455)	
Total long-term liabilities		(208,406)
Total net position of governmental activities (Exhibits 1 and 2)		$ 2,024,068

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Department of Transportation	HOME Department of Housing and Urban Development
Revenues:			
Federal Grants:			
Commission	$ -	$ 787,495	$ 95,946
Pass-Through	-	-	760,263
State Grants	82,279	224,839	-
Other:			
Localities	235,093	211,201	14,998
Other local taxes - Cigarette tax	-	-	-
Revenue from the use of money and property	85,855	-	23
Total revenues	$ 403,227	$ 1,223,535	$ 871,230
Expenditures:			
Current:			
Administrative	$ (60,379)	$ -	$ -
Department of Transportation	-	906,448	-
Department of Housing and Urban Development	-	-	871,230
Department of Homeland Security	-	-	-
Department of Commerce	-	-	-
Environmental Protection Agency	-	-	-
Department of Housing and Community Development	-	-	-
Southeast Cresent Regional Commission	-	-	-
US Department of Agriculture	-	-	-
Blue Ridge Cigarette Tax Board	-	-	-
Virginia Department of Rail and Public Transportation	-	317,087	-
Legislative Liason	-	-	-
Total expenditures	$ (60,379)	$ 1,223,535	$ 871,230
Excess (deficiency) of revenues over (under) expenditures	$ 463,606	$ -	$ -
Other financing sources (uses):			
Transfers in	$ 180	$ -	$ -
Transfers (out)	-	-	-
Total other financing sources (uses)	$ 180	$ -	$ -
Net changes in fund balance	$ 463,786	$ -	$ -
Fund balance at beginning of year	1,060,113	-	-
Fund balance at end of year	$ 1,523,899	$ -	$ -

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Blue Ridge Cigarette Tax Board	Broadband	Other Governmental Funds	Total Governmental Funds
Revenues:				
Federal Grants:				
Commission	$ -	$ 24,931,131	$ 183,253	$ 25,997,825
Pass-Through	-	-	168,832	929,095
State Grants	-	-	531,741	838,859
Other:				
Localities	-	5,247,079	229,893	5,938,264
Other local taxes - Cigarette tax	2,838,277	-	-	2,838,277
Revenue from the use of money and property	1,495	-	-	87,373
Total revenues	$ 2,839,772	$ 30,178,210	$ 1,113,719	$ 36,629,693
Expenditures:				
Current:				
Administrative	$ -	$ -	$ -	$ (60,379)
Department of Transportation	-	-		906,448
Department of Housing and Urban Development	-	-	-	871,230
Department of Homeland Security	-	-	125	125
Department of Commerce	-	-	67,207	67,207
Environmental Protection Agency	-	-	84,252	84,252
Department of Housing and Community Development	-	30,178,210	603,838	30,782,048
Southeast Cresent Regional Commission	-	-	23,000	23,000
US Department of Agriculture	-	-	211,641	211,641
Blue Ridge Cigarette Tax Board	2,839,592	-	-	2,839,592
Virginia Department of Rail and Public Transportation	-	-	-	317,087
Legislative Liason	-	-	123,656	123,656
Total expenditures	$ 2,839,592	$ 30,178,210	$ 1,113,719	$ 36,165,907
Excess (deficiency) of revenues over (under) expenditures	$ 180	$ -	$ -	$ 463,786
Other financing sources (uses):				
Transfers in	$ -	$ -	$ -	$ 180
Transfers (out)	(180)	-	-	(180)
Total other financing sources (uses)	$ (180)	$ -	$ -	$ -
Net changes in fund balance	$ -	$ -	$ -	$ 463,786
Fund balance at beginning of year	-	-	-	1,060,113
Fund balance at end of year	$ -	$ -	$ -	$ 1,523,899

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balance - total governmental funds (Exhibit 5)	$	463,786
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlays		-
Depreciation expense		(100,582)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this adjustment consist of the change in deferred inflows of resources related to the measurement of the net pension asset and net group life insurance OPEB liability.		
Change in deferred inflows of resources related to measurement of net pension asset		268
Change in deferred inflows of resources related to measurement of net group life insurance OPEB liability		4,496
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this adjustment are as follows:		
Principal retired on lease liability		95,164
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in net pension asset		192,491
Change in net group life insurance OPEB liability		(7,434)
Change in deferred outflows of resources related to measurement of net pension asset		-
Change in deferred outflows of resources related to measurement of net group life insurance OPEB liability		5,565
Change in compensated absences		(1,411)
Change in net position of governmental activities (Exhibit 2)	$	652,343

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

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Thomas Jefferson Planning District Commission (Commission) conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant polices:

A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Commission and its component units. There are no such component units that are required to be included in the Commission's financial statements.

The Commission has been organized by the governing authorities of the Counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson and the City of Charlottesville pursuant to the Regional Cooperation Act for the purpose of promoting the orderly and efficient development of the physical, social, and economic elements of Planning District Number Ten by planning, encouraging, and assisting governmental subdivisions to plan for the future.

B. Basic Financial Statements – Government-wide Statements

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Commission's general administrative services are classified as governmental activities. The Commission has no business-type activities at this time.

In the government-wide statement of net position, both the governmental and business-type activities columns (if any) are presented on a consolidated basis by column and are reported on a full accrual economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Commission's functions. The functions are also supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (intergovernmental revenues, interest income, etc.).

The Commission allocates indirect costs using a specific percentage of use method.

This government-wide focus is on the sustainability of the Commission as an entity and the change in the Commission's net position resulting from the current year's activities.

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

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in individual funds in the fund statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues, and expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Commission:

Governmental Funds:

The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

1. *General Fund* is the general operating fund of the Commission. It is used to account for and report all financial resources except those required to be accounted for in another fund.

2. *Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenses for specified purposes.

Major and Nonmajor Funds:

All funds are classified as either major or nonmajor. The following criteria are used when determining the fund types:

1. The General Fund is always classified as major.

2. All other major funds have assets, liabilities, revenues, or expenditures that are at least 10% of the corresponding element total (i.e., assets, liabilities, etc.) for all funds of that category or type (i.e., total governmental or enterprise funds). In addition, the same element that met the 10% criterion is at least 5% of the corresponding element total for all governmental and enterprise funds combined.

The Commission's funds are classified as follows:

Fund	Brief Description
Major:	
General	See above for description.
Special Revenue Funds:	
Department of Transportation	Accounts for and reports revenues and expenses restricted for the purposes of various projects funded by the Department of Transportation.
HOME Department of Housing and Urban Development	Accounts for and reports revenues and expenses restricted for the purpose of HOME program.

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

C. Basic Financial Statements – Fund Financial Statements: (Continued)

Major and Nonmajor Funds: (Continued)

Fund	Brief Description
Major:	
Broadband	Accounts for and reports revenues and expenses restricted for the VATI Broadband Funding.
Blue Ridge Cigarette Tax Board	Accounts for and reports revenues and expenses restricted for the Blue Ridge Cigarette Tax Board
Nonmajor-Other Governmental Funds:	
Special Revenue Funds:	
Virginia Department of Rail and Public Transportation	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Rail and Public Transportation.
Department of Homeland Security	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Department of Homeland Security.
Environmental Protection Agency	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Environmental Protection Agency.
Virginia Housing Development Authority	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Housing Development Authority.
Virginia Department of Agriculture	Accounts for and reports revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Agriculture.
Legislative Liaison	Accounts for and reports revenues and expenses for the Legislative Liaison Program.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. *Accrual* – Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

D. Basis of Accounting: (Continued)

2. *Modified Accrual* – The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after the year end. Expenses are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that debt service expenditures as well as expenditures related to compensated absences, and claims and judgments are recognized when due.

E. Budgets and Budgetary Accounting

The following procedures are used by the Commission in establishing the budgetary data reflected in the required supplementary information:

1. Prior to due dates for budget submissions to localities, the Executive Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

2. After the budget is approved by the Commission, it is presented to the local governing bodies within its jurisdiction for approval of appropriations to the Commission.

3. The budget amounts depend on the staff securing grants and contracts throughout the year; therefore, appropriate budget revisions are proposed and approved by the Commission during the year. The Commission adopts a working budget for the fiscal year beginning July 1 at their May meeting, per the Bylaws. The Commission adopts the final budget for use in financial reporting at the March meeting.

4. The approved budget is utilized as a management control device.

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. All budgetary data presented in the accompanying financial statements represents both the original and revised budgets as of June 30.

F. 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. Accordingly, actual results could differ from those estimates.

G. Cash and Cash Equivalents

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

G. Cash and Cash Equivalents: (Continued)

State statutes authorize the Commission to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

H. Receivables and Payables

Outstanding balances between funds at the end of the fiscal year are reported as due to/from other funds. No allowance for uncollectibles is included in the receivables, due to the limited exposure related to the contractual nature of governmental receivables.

I. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

The current year report includes a change in calculations related to restricted cash and restricted net position. The prior year restricted amounts have been updated to reflect current year calculations.

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

K. Net Position Flow Assumption

Sometimes the Commission funds 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.

L. Capital Assets

Property and equipment are recorded at the original cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

Office furniture and equipment	3 - 10 years
Vehicle	5 years
Website	3 years
Leasehold improvements	Remaining life of lease
Leased buildings	3 - 5 years

M. Unearned Revenue

The Commission reports unearned revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Commission before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

N. 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/expenditure) until then. The Commission 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 these items, 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 these items, reference the related notes.

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

O. 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 Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. OPEB

Group Life Insurance

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

Q. Fund Balance

The Commission reports fund balance in the required classifications. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

R. Legislative Liaison

The Liaison reports regularly to the local governments during the General Assembly session and when studies are undertaken by the General Assembly and are pertinent to local government interests. The Liaison prepares a Legislative Program in consultation with the localities who subsequently adopt the Program.

S. Leases

The Commission leases various buildings 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 a lease liability and intangible right-to-use lease asset (lease asset) with an initial value of $5,000, 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 Board 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.

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. No deposits exceed FDIC insurance limits.

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 policy related to credit risk of debt securities.

The Commission's rated debt investments as of June 30, 2024 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments' Values

	Fair Quality Ratings	
Rated Debt Investments	**AAAm**	**AAf**
Virginia Investment Pool	$ 1,313,808	$ -
Total	$ 1,313,808	$ -

Investment maturities in years:

Investment Type	Fair Value	Less Than 1 Year
Virginia Investment Pool	$ 1,313,808	$ 1,313,808
Total	$ 1,313,808	$ 1,313,808

Redemption Restrictions: Commission is limited to two withdrawals per month.

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

NOTE 3–ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS:

Accounts and due from other governments are as follows:

Federal Government:		
Department of Transportation	$	229,028
Department of Housing and Urban Development		21,913
Department of Homeland Security		-
Department of Housing and Community Development		4,212,025
Department of Commerce		12,247
Southeastern Cresent Regional Commission		23,000
US Department of Agriculture		164,223
Environmental Protection Agency		39,624
Total Federal Government	$	4,702,060
State:		
Department of Transportation	$	48,131
Virginia Housing Development Authority		3,828
Department of Housing and Community Development		137,117
Total State	$	189,076
Accounts Receivable:		
Louisa	$	1,516,603
Cumberland		17,548
Powhatan		40,493
VAPDC-ED		9,654
Cigarette tax		234,372
Other		560
Total Accounts Receivable	$	1,819,230

NOTE 4–INTERFUND OBLIGATIONS:

Interfund obligations arise due to timing differences between the receipt of restricted funds and their use.

	Interfund Receivable	Interfund Payable
General Fund	$ 152,185	$ -
Department of Transportation	123,859	-
HOME Department of Housing and Urban Development	-	22,414
Blue Ridge Cigarette Tax Board	-	27,697
Broadband	2,826	
Nonmajor Governmental Funds	-	228,759
Total	$ 278,870	$ 278,870

NOTE 5–CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital assets, being depreciated:				
Office furniture and equipment	$ 74,555	$ -	$ -	$ 74,555
Vehicle	30,183	-	-	30,183
Website	19,978	-	-	19,978
Leased building	392,496	-	-	392,496
Leasehold improvements	11,993	-	-	11,993
Total capital assets being depreciated	$ 529,205	$ -	$ -	$ 529,205
Less accumulated depreciation for:				
Office furniture and equipment	$ 74,555	$ -	$ -	$ 74,555
Vehicle	5,282	6,037		11,319
Website	17,347	2,193	-	19,540
Leased building	184,704	92,352	-	277,056
Leasehold improvements	11,993	-	-	11,993
Total accumulated depreciation	$ 293,881	$ 100,582	$ -	$ 394,463
Total capital assets being depreciated, net	$ 235,324	$ (100,582)	$ -	$ 134,742
Governmental activities capital assets, net	$ 235,324	$ (100,582)	$ -	$ 134,742

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Office administration	$ 94,545
Blue Ridge Cigarette Tax Board	6,037
Total governmental activities	$ 100,582

NOTE 6–COMPENSATED ABSENCES:

The Commission employees earn sick leave at the rate of ten hours per month and may accumulate a maximum of 480 hours (60 days). No benefits or pay are received for unused sick leave upon termination. The amount of annual leave earned by an employee each month, with the exception of the Executive Director, depends upon the number of years the permanent full-time staff were employed by the Commission, as noted below. The Executive Director's leave is set by the Commission as part of the employment contract.

Years of Services	Days Per Month	Days of Annual Leave Per Year
0-5	1	12
6-10	1 1/4	15
Over 10	1 1/2	18

An employee may accumulate a maximum of 30 days of annual leave. At the time of separation of employment, the employee will be compensated for the accumulated leave balance. Accrued annual leave was $42,044 as of June 30, 2024. The following is a summary of changes in accrued annual leave for the year ended June 30, 2024:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
$ 42,044	$ 1,411	$ -	$ 43,455

NOTE 7–OFFICE LEASE:

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. The Commission recognizes a lease liability and an intangible right-to-use lease asset (leased asset) in the financial statements. On October 1, 2020, the Commission entered into a noncancellable five-year lease agreement for office space. The lease agreement requires 60 monthly payments that increase each year with a discount rate of 4.00%.

NOTE 7–OFFICE LEASE: (CONTINUED)

The lease liability activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Lease Liability	$ 221,977	$ -	$ 95,164	$ 126,813	$ 101,800
Total Governmental Activities	$ 221,977	$ -	$ 95,164	$ 126,813	$ 101,800

The future principal and interest payments as of June 30, 2024 were as follows:

Year Ending June 30,	Lease Liability Principal	Lease Liability Interest
2025	$ 101,800	$ 3,269
2026	25,013	175
Total	$ 126,813	$ 3,444

NOTE 8–COMMITMENTS/CONTINGENT LIABILITIES:

Federal programs in which the Commission participates were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the provisions of this Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements.

Additionally, the federal government may subject grant programs to additional compliance tests, which could result in disallowed expenditures. In the opinion of management, any future disallowances of grant program expenditures would be immaterial.

NOTE 9–PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Thomas Jefferson Planning District Commission are covered by a VRS Retirement Plan after six months of 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. 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 9–PENSION PLAN: (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, 1.85% for sheriffs and regional jail superintendents. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents. 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.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	10
Inactive members:	
Vested inactive members	9
Non-vested inactive members	8
Active members active elsewhere in VRS	13
Total inactive members	30
Active members	9
Total covered employees	49

NOTE 9–PENSION PLAN: (CONTINUED)

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, 2024 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were $0 and $0 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Asset

The net pension asset is calculated separately for each employer and represents that particular employer's total pension asset, less that employer's fiduciary net position. For Thomas Jefferson Planning District Commission, the net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

Inflation	2.5%
Salary increases, including inflation	3.5% – 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

NOTE 9–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates:

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

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

The actuarial assumptions used in the June 30, 2022 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, 2021. 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

NOTE 9–PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45^{th} percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

NOTE 9–PENSION PLAN: (CONTINUED)

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, 2024, 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, 2022 actuarial valuations, whichever was greater. From July 1, 2023 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.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 2,058,212	$ 2,532,938	$ (474,726)
Changes for the year:			
Service cost	$ 54,146	$ -	$ 54,146
Interest	139,374	-	139,374
Changes of assumptions	-	-	-
Differences between expected and actual experience	(196,871)	-	(196,871)
Contributions - employer	-	-	-
Contributions - employee	-	34,130	(34,130)
Net investment income	-	161,932	(161,932)
Benefit payments, including refunds of employee contributions	(95,121)	(95,121)	-
Administrative expenses	-	(1,636)	1,636
Other changes	-	(5,286)	5,286
Net changes	$ (98,472)	$ 94,019	$ (192,491)
Balances at June 30, 2023	$ 1,959,740	$ 2,626,957	$ (667,217)

NOTE 9–PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension asset 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 Net Pension Liability (Asset)	$ (363,756)	$ (667,217)	$ (886,338)

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

For the year ended June 30, 2024, the Commission recognized pension expense of ($192,759). At June 30, 2024, 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	$ -	$ 58,229
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	40,433
Employer contributions subsequent to the measurement date	-	-
Total	$ -	$ 98,662

NOTE 9–PENSION PLAN: (CONTINUED)

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

$0 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 ending June 30, 2025. 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		
2025	$	(87,406)
2026		(49,015)
2027		36,410
2028		1,349
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 10–DEFERRED COMPENSATION PLAN:

During the year ended June 30, 1998, the employees of the Commission adopted a Section 457 Deferred Compensation Plan. The Commission delegates administrative and investment responsibilities for its 457 Plan assets to a third-party administrator. The Commission does not have to report these assets on their financial statements.

Employee contributions to this plan for the year ended June 30, 2024 were $23,750. There were no matching contributions.

NOTE 11–UNEARNED REVENUE:

The details of unearned revenue at June 30, 2024 are as follows:

Fund Name		Amount
General Fund	$	9,481
Department of Transportation		227,473
Blue Ridge Cigarette Tax Board		41,000
Broadband		41,925
Other Governmental Funds		30,991
HOME Department of Housing and Urban Development		82,496
	$	433,366

NOTE 12–LITIGATION:

As represented by management, there were no lawsuits pending which would materially affect the Commission's financial position as of the date of these financial statements.

NOTE 13–COST ALLOCATION BASIS – INDIRECT COSTS AND FRINGE BENEFITS:

Indirect costs are those costs which are not readily identifiable within a particular program but, nevertheless, are necessary to the general operation and the conduct of the activities it performs. Allocations from the General Fund and to the Special Revenue Funds are made based on a ratio of indirect costs to the individual program's direct costs associated with salaries and fringe benefits (personnel costs). The rate is determined by a relation of total administrative costs to program salary costs. Program salary costs are calculated as follows:

Total personnel costs (salaries and fringes)
Less: Administrative personnel costs
Less: Contractual personnel costs

This ratio is calculated on an annual basis. The rate used during the fiscal year ended June 30, 2024 was 74%, for billing purposes.

The actual indirect cost rate for the fiscal year ended June 30, 2024 was 41% and was calculated as follows:

Indirect costs	$	411,249	= 41%
Individual programs' personnel costs		1,006,681	

NOTE 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

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 Plan. 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 plan, it is not included as part of the GLI Plan 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.

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 adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

NOTE 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which 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 $4,708 and $4,039 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the liabilities of the financial statements.

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

At June 30, 2024, the entity reported a liability of $30,704 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.00318% as compared to 0.00260% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of $2,404. 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 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2024, 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	$ 3,809	$ 1,158
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,533
Change in assumptions	815	2,642
Changes in proportion	12,871	11,592
Employer contributions subsequent to the measurement date	4,708	-
Total	$ 22,203	$ 16,925

$4,708 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, 2025. 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	
2025	$ (273)
2026	(1,840)
2027	1,526
2028	(530)
2029	1,687
Thereafter	-

NOTE 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-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 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 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, 2021. 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, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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.

NOTE 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.20%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

*The above allocation provides a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation, at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

NOTE 14–GROUP LIFE INSURANCE (GLI) PLAN (OPEB 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, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023 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	$ 56,533	$ 38,138	$ 23,266

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Change in Fund Balance -
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Federal Grants:				
Commission	$ 49,388,086	$ 17,473,205	$ 25,997,825	$ 8,524,620
Pass-Through	1,184,506	1,340,639	929,095	(411,544)
State Grants	1,132,839	1,154,129	838,859	(315,270)
Other:				
Localities	614,624	5,653,720	5,938,264	284,544
Other local taxes - Cigarette tax	2,565,980	2,965,000	2,838,277	(126,723)
Revenue from the use of money	40,000	49,000	87,373	38,373
Total revenues	$ 54,926,035	$ 28,635,693	$ 36,629,693	$ 7,994,000
Expenditures				
Current:				
Administrative	$ 381,100	$ 99,664	$ (60,379)	$ 160,043
Department of Transportation	1,257,306	1,310,194	906,448	403,746
Department of Housing and Urban Development	1,034,455	1,232,309	871,230	361,079
Department of Homeland Security	-	-	125	(125)
Department of Commerce	66,666	60,276	67,207	(6,931)
Environmental Protection Agency	58,000	56,777	84,252	(27,475)
Department of Housing and Community Development	49,102,500	22,080,347	30,782,048	(8,701,701)
Blue Ridge Cigarette Tax Board	2,540,980	2,965,000	2,839,592	125,408
Southeast Cresent Regional Commission	-	17,250	23,000	(5,750)
US Department of Agriculture	200,399	239,945	211,641	28,304
Virginia Department of Rail and Public Transportation	165,020	137,284	317,087	(179,803)
Legislative Liaison	119,609	133,235	123,656	9,579
Total expenditures	$ 54,926,035	$ 28,332,281	$ 36,165,907	$ (7,833,626)
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 303,412	$ 463,786	$ 160,374
Net change in fund balance	$ -	$ 303,412	$ 463,786	$ 160,374
Fund balance, beginning of year	-	-	1,060,113	1,060,113
Fund balance, end of year	$ -	$ 303,412	$ 1,523,899	$ 1,220,487

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 54,146	$ 50,745	$ 57,333	$ 49,884	$ 45,609
Interest	139,374	136,473	117,798	115,583	109,185
Differences between expected and actual experience	(196,871)	(59,466)	39,495	(58,224)	8,945
Changes in assumptions	-	-	91,465	-	51,616
Benefit payments, including refunds of employee contributions	(95,121)	(81,248)	(79,082)	(69,767)	(55,827)
Net change in total pension liability	$ (98,472)	$ 46,504	$ 227,009	$ 37,476	$ 159,528
Total pension liability - beginning	2,058,212	2,011,708	1,784,699	1,747,223	1,587,695
Total pension liability - ending (a)	$ 1,959,740	$ 2,058,212	$ 2,011,708	$ 1,784,699	$ 1,747,223
Plan fiduciary net position					
Contributions - employer	$ -	$ -	$ -	$ 2,390	$ 2,951
Contributions - employee	34,130	25,723	31,700	24,828	29,018
Net investment income	161,932	(2,249)	565,573	39,709	131,859
Benefit payments, including refunds of employee contributions	(95,121)	(81,248)	(79,082)	(69,767)	(55,827)
Administrative expense	(1,636)	(1,621)	(1,416)	(1,362)	(1,299)
Other	(5,286)	60	53	(47)	(83)
Net change in plan fiduciary net position	$ 94,019	$ (59,335)	$ 516,828	$ (4,249)	$ 106,619
Plan fiduciary net position - beginning	2,532,938	2,592,273	2,075,445	2,079,694	1,973,075
Plan fiduciary net position - ending (b)	$ 2,626,957	$ 2,532,938	$ 2,592,273	$ 2,075,445	$ 2,079,694
Commission's net pension liability (asset) - ending (a) - (b)	$ (667,217)	$ (474,726)	$ (580,565)	$ (290,746)	$ (332,471)
Plan fiduciary net position as a percentage of the total pension liability	134.05%	123.06%	128.86%	116.29%	119.03%
Covered payroll	$ 748,004	$ 555,407	$ 704,693	$ 544,700	$ 632,061
Commission's net pension liability (asset) as a percentage of covered payroll	-89.20%	-85.47%	-82.39%	-53.38%	-52.60%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	$ 47,097	$ 43,503	$ 56,311	$ 50,141	$ 69,411
Interest	102,465	102,011	96,363	94,691	87,524
Differences between expected and actual experience	4,016	(21,557)	(14,126)	(61,088)	-
Changes in assumptions	-	(58,077)	-	-	-
Benefit payments, including refunds of employee contributions	(59,339)	(59,462)	(56,246)	(63,463)	(45,653)
Net change in total pension liability	$ 94,239	$ 6,418	$ 82,302	$ 20,281	$ 111,282
Total pension liability - beginning	1,493,456	1,487,038	1,404,736	1,384,455	1,273,173
Total pension liability - ending (a)	$ 1,587,695	$ 1,493,456	$ 1,487,038	$ 1,404,736	$ 1,384,455
Plan fiduciary net position					
Contributions - employer	$ 9,937	$ 9,145	$ 18,635	$ 20,868	$ 37,157
Contributions - employee	29,495	25,481	24,742	27,522	32,439
Net investment income	137,364	204,382	29,062	73,203	218,230
Benefit payments, including refunds of employee contributions	(59,339)	(59,462)	(56,246)	(63,463)	(45,653)
Administrative expense	(1,180)	(1,183)	(1,033)	(1,005)	(1,145)
Other	(122)	(181)	(12)	(16)	11
Net change in plan fiduciary net position	$ 116,155	$ 178,182	$ 15,148	$ 57,109	$ 241,039
Plan fiduciary net position - beginning	1,856,920	1,678,738	1,663,590	1,606,481	1,365,442
Plan fiduciary net position - ending (b)	$ 1,973,075	$ 1,856,920	$ 1,678,738	$ 1,663,590	$ 1,606,481
Commission's net pension liability (asset) - ending (a) - (b)	$ (385,380)	$ (363,464)	$ (191,700)	$ (258,854)	$ (222,026)
Plan fiduciary net position as a percentage of the total pension liability	124.27%	124.34%	112.89%	118.43%	116.04%
Covered payroll	$ 634,356	$ 539,257	$ 517,609	$ 563,802	$ 615,185
Commission's net pension liability (asset) as a percentage of covered payroll	-60.75%	-67.40%	-37.04%	-45.91%	-36.09%

Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ -	$ -	$ -	$ 871,768	0.00%
2023	-	-	-	748,004	0.00%
2022	-	-	-	555,407	0.00%
2021	3,474	3,474	-	704,693	0.49%
2020	4,812	4,812	-	544,700	0.88%
2019	8,299	8,299	-	632,061	1.31%
2018	10,718	10,718	-	634,356	1.69%
2017	11,001	11,001	-	539,257	2.04%
2016	19,773	19,773	-	517,609	3.82%
2015	21,536	21,536	-	563,802	3.82%

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

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, 2022 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, 2021. 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 the Commission's Share of Net OPEB Liability
Group Life Insurance Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.00318%	$ 38,138	$ 748,004	5.10%	69.30%
2022	0.00260%	30,704	555,407	5.53%	67.21%
2021	0.00340%	39,701	704,693	5.63%	67.45%
2020	0.00270%	44,224	544,700	8.12%	52.64%
2019	0.00323%	52,561	632,061	8.32%	52.00%
2018	0.00333%	51,000	634,356	8.04%	51.22%
2017	0.00292%	44,000	539,257	8.16%	48.86%

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

Schedule of Employer Contributions
Group Life Insurance Plan
For the Years Ended June 30, 2017 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 4,708	$ 4,708	$ -	$ 871,768	0.54%
2023	4,039	4,039	-	748,004	0.54%
2022	2,999	2,999	-	555,407	0.54%
2021	3,805	3,805	-	704,693	0.54%
2020	2,832	2,832	-	544,700	0.52%
2019	3,287	3,287	-	632,061	0.52%
2018	3,324	3,324	-	634,356	0.52%
2017	2,822	2,822	-	539,257	0.52%

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

Notes to Required Supplementary Information
Group Life Insurance Plan
For the Year Ended June 30, 2024

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, 2022 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, 2021. 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 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

OTHER SUPPLEMENTARY INFORMATION

Supporting Schedules

Schedule of Expenditures - General Fund
For the Year Ended June 30, 2024

Administrative		
Current Operating:		
Salaries and fringe	$	353,254
Contractual		49,303
Insurance		6,938
Subscriptions and publications		317
Dues		4,936
Advertising		839
Supplies		6,784
Copier		(2,038)
Meetings		3,307
Rent		101,596
Hiring and recruitment		7,708
Janitorial service		2,545
Postage		246
Travel		(2,043)
Professional development		5,760
Telephone		14,744
Audit and legal		13,553
Miscellaneous		(3)
Indirect costs allocation		(643,454)
Equipment use and maintenance		15,329
Total expenditures	$	(60,379)

Schedule of Indirect Costs
For the Year Ended June 30, 2024

Administrative		
Current operating:		
Personnel	$	217,202
Postage		229
Subscriptions and publications		317
Supplies		6,750
Travel		(4,838)
Audit/legal services		13,553
Advertising		839
Bank charges		(4)
Professional meetings and development		217
Contractual services		49,078
Dues		4,727
Insurance/bonding		6,938
Printing and copier		(3,250)
Rent		75,498
Janitorial		2,545
Employee hiring & recruitment		7,708
Equipment repair/maintenance/use		17,501
Miscellaneous		-
Meeting expenses		1,494
Telephone		14,744
Total indirect costs	$	411,248

Schedule of Individual Programs' Personnel Costs
For the Year Ended June 30, 2024

Total Salaries and Fringes:		
Salaries	$	998,838
Fringe benefits		225,045
Total Salaries and Fringes	$	1,223,883
Less Administrative Personnel Costs:		
Administration	$	217,202
Network support		-
Total Administrative Personnel Costs	$	217,202
Total Individual Programs' Personnel Costs	$	1,006,681
Calculation of indirect cost rate:		
Indirect Costs /		411,248
Individual Programs' Personnel Costs		1,006,681
Indirect cost rate		41%

Schedule of Grant Contracts
For the Year Ended June 30, 2024

Grant or Contract	Grant-Contract Start Date	Grant-Contract End Date	Grant-Contract Total	Year to Date FY24	Grant-Contract To Date	Budgeted Amount For FY25	Grant-Contract Remaining
MPO-FTA	07/01/23	06/30/24	$ 116,136	$ 116,136	$ 116,136	$ -	$ -
MPO-PL	07/01/23	06/30/24	349,033	308,756	308,756	40,277	-
HOME TJPDC	07/01/20	06/30/31	220,972	57,445	125,107	95,865	-
HOME PASS-THROUGH	07/01/20	06/30/31	2,122,076	744,152	1,246,582	875,494	-
HOME ARPA	09/24/21	09/30/30	2,452,271	69,633	177,346	2,274,925	-
HOUSING HPG	10/01/21	09/30/25	64,115	43,009	43,009	21,106	-
HPG PASS-THROUGH	10/01/21	09/30/25	363,319	168,632	168,632	194,687	-
STATE SUPPORT TO PDC	07/01/23	06/30/24	89,971	89,971	89,971	-	-
SCRC	10/01/23	09/30/24	23,000	23,000	23,000	-	-
WATER STREET CENTER	07/01/23	06/30/24	26,098	26,098	26,098	-	-
EDA-CEDS	07/01/22	06/30/24	100,000	60,277	100,000	-	-
RIDESHARE	07/01/23	06/30/24	166,277	166,277	166,277	-	-
RIDESHARE STRATEGIC PLAN PASS-THROUGH	07/01/23	06/30/25	70,000	66,104	66,104	3,896	-
RURAL TRANSPORTATION	07/01/23	06/30/24	58,000	58,000	58,000	-	-
RTP-TDM	07/01/23	06/30/24	60,260	60,260	60,260	-	-
REGIONAL TRANSIT GRANT	07/01/22	12/31/23	47,940	33,930	47,940	-	-
REGIONAL TRANSIT GRANT PASS -THROUGH	07/01/22	12/31/23	149,505	21,444	149,505	-	-
HAZARD MITIGATION	07/01/21	06/30/24	66,761	82	66,761	-	-
REGIONAL HOUSING PARTNERSHIP	07/01/23	06/30/25	74,563	74,563	74,563	-	-
VA HOUSING	07/01/21	06/30/25	200,000	35,407	94,958	105,042	-
VA HOUSING PASS-THROUGH	07/01/21	06/30/25	1,800,000	174,935	805,411	994,589	-
VATI ADMIN	04/01/22	04/01/25	875,000	236,664	491,997	383,003	-
VATI PASS-THROUGH	04/01/22	04/01/25	109,848,780	29,941,546	43,318,502	66,530,278	-
LEGISLATIVE LIAISON	07/01/23	06/30/24	123,656	123,656	123,656	-	-
VAPDC-ED	07/01/23	06/30/24	55,502	55,502	55,502	-	-
SOLID WASTE	07/01/23	06/30/24	10,500	9,404	9,404	1,096	-
MINERAL COMP PLAN	12/13/23	06/30/24	16,549	16,549	16,549	-	-
RRBC	07/01/23	06/30/24	10,645	10,645	10,645	-	-
WIP PHASE III - Contract #6	01/01/23	12/31/23	58,000	27,777	58,000	-	-
WIP PHASE III - Contract #7	01/01/24	12/31/24	58,000	39,624	39,624	18,376	-
MEMBER PER CAPITA	07/01/23	06/30/24	171,054	171,054	171,054	-	-
SAFE STREETS AND ROADS FOR ALL (SS4A)	05/11/23	09/25/25	82,000	26,054	26,054	55,946	-
SS4A PASS-THROUGH	05/11/23	09/25/25	990,000	266,545	266,545	723,455	-
MOBILITY MANAGEMENT - 2024	10/01/23	09/30/24	53,870	53,870	53,870	-	-
MOBILITY MANAGEMENT PASS-THROUGH - 2024	10/01/23	09/30/24	60,725	15,462	15,462	45,263	-
MOBILITY MANAGEMENT - BRANDING	07/01/23	06/30/25	17,473	3,154	3,154	14,319	-
MOBILITY MANAGEMENT BRANDING PASS-THROUGH	07/01/23	06/30/25	30,027	30,027	30,027	-	-
Nelson TAP	05/25/23	06/30/24	4,560	3,116	4,560	-	-
Rainbarrel Workshop-Middle James Roundtable	05/01/24	06/30/24	2,117	2,117	2,117	-	-
VERP	01/01/23	12/31/24	37,626	15,922	22,807	14,819	-
VERP PASS-THROUGH	01/01/23	12/31/24	561,175	283,264	384,250	176,925	-
BLUE RIDGE CIGARATTE TAX BOARD	07/01/23	06/30/24	156,423	156,423	156,423	-	-
BLUE RIDGE CIGARATTE TAX PASS-THROUGH	07/01/23	06/30/24	2,683,169	2,683,169	2,683,169	-	-
BANK INTEREST	07/01/23	06/30/24	59,757	59,757	59,757	-	-
TOTAL			$ 124,586,905	$ 36,629,412	$ 52,017,544	$ 72,569,361	$ -

* Funds are available for completion of the project.

COMPLIANCE

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

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, 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 governmental activities, each major fund, and the aggregate remaining fund information of Thomas Jefferson Planning District Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Thomas Jefferson Planning District Commission's basic financial statements and have issued our report thereon dated November 29, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thomas Jefferson 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 29, 2024

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

To the Commissioners
Thomas Jefferson Planning District Commission
Charlottesville, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Thomas Jefferson Planning District Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Thomas Jefferson Planning District Commission's major federal programs for the year ended June 30, 2024. Thomas Jefferson 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, Thomas Jefferson Planning District Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Thomas Jefferson 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 Thomas Jefferson 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 Thomas Jefferson Planning District Commission's federal programs.

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 Thomas Jefferson 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 Thomas Jefferson 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 Thomas Jefferson 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 Thomas Jefferson 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 Thomas Jefferson 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.

Report on Internal Control over Compliance (Continued)

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 29, 2024

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Primary Government:				
Department of Housing and Urban Development:				
Direct Payments:				
HOME Investment Partnerships Program	14.239	N/A	$ 786,576	$ 760,263
COVID-19 ARPA - HOME Investment Partnerships Program	14.239	N/A	69,633	-
Total Department of Housing and Urban Development			$ 856,209	$ 760,263
Department of Transportation:				
Pass-Through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	EN07-039-118,P101, C501	$ 332,449	$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	FTA VA-80-0019-00	163,190	-
Enhanced Mobility of Seniors and Individuals with D				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Not Available	57,776	-
Safe Streets and Roads for All	20.939	Not Available	234,080	-
Total Department of Transportation			$ 787,495	$ -
Environmental Protecton Agency:				
Direct Payments:				
Geographic Programs - Chesapeake Bay Program	66.466	N/A	$ 68,958	$ -
Department of Agriculture:				
Direct Payments:				
Rural Housing Preservation Grants	10.433	N/A	$ 211,841	$ 168,832
Department of Treasury:				
Pass-Through Payments:				
Virginia Department of Housing and Community Development:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	$ 21,186,427	$ -
Appomattox County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	42,160	-
Amherst County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	928,737	-
Albemarle County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	735,121	-
Buckingham County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	21,239	-
Campbell County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	104,213	-
Fluvanna County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	15,507	-
Goochland County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	78,167	-
Madison County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	308,698	-
Greene County:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not Available	1,510,862	-
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Fund			$ 24,931,131	$ -
Total Department of Treasury			$ 24,931,131	$ -
Department of Commerce:				
Direct Payments:				
Economic Adjustment Assistance	11.307	N/A	$ 48,221	$ -
Southeast Crescent Regional Commission:				
Direct Payments:				
Southeast Crescent Regional Commission-Economic and Infrastructure Development Grants	90.705	N/A	$ 23,000	$ -
Department of Homeland Security:				
Pass-Through Payments:				
Virginia Department of Emergency Management:				
Hazard Mitigation Grant	97.039	Not Available	$ 65	$ -
Total Expenditures of Federal Awards			$ 26,926,920	$ 929,095

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Thomas Jefferson Planning District Commission under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Thomas Jefferson Planning District Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Thomas Jefferson Planning District Commission.

Note 2 - Summary of Significant Accounting Policies

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

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

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

Note 3 - Subrecipients

Of the federal expenditures presented in the Schedule, the Commission provided federal awards to subrecipients as follows:

Assistance Listing Number	Program Name		Amount provided to subrecipients
14.239	HOME Investment Partnerships Program	$	760,263
10.433	Rural Housing Preservation Grants		168,832
	Total	$	929,095

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
Department of Transportation	$	787,495
HOME Department of Housing and Urban Development		856,209
Broadband		24,931,131
Other Governmental Funds		352,085
Total primary government	$	26,926,920
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	26,926,920

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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:

Assistance Listing #	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Fund

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 are no prior year audit findings.