



Agenda
February 23, 2023
6:00 p.m.— Pulaski County Innovation Center, Fairlawn, VA

- I. **CALL TO ORDER**
- II. **CONSENT AGENDA**
 - A. Approval of Minutes for January
 - B. [Approval of Treasurer's Report for January](#)
- III. **COMMONWEALTH INTERGOVERNMENTAL REVIEW PROCESS**
 - A. Projects Signed-off by the staff
 - 1. [Calfee Community & Cultural Center Funding Assistance](#)
 - B. Regular Project Review
 - None
- IV. **PUBLIC ADDRESS**
- V. **CHAIR'S REPORT**
- VI. [EXECUTIVE DIRECTOR'S REPORT](#)
- VII. **REVIEW OF MUTUAL CONCERNS AND COMMISSIONERS' REPORTS**
- VIII. **OLD BUSINESS**
- IX. **NEW BUSINESS**
 - A. [GO Virginia Region 2 Overview and Program Impact](#)
 - Dr. Raymond Smoot and Justin Yalung, Region 2 Council Members
 - Commission Discussion
 - B. [Salvation Army of the New River Valley Overview and Engagement Opportunities](#)
 - Marissa Sachs, Board Chair
 - Commission Discussion
 - C. [FY22 Audit Report](#)
 - *Commission Action
 - D. Next Commission Meeting:
 - March 23rd, 6:00pm

All meeting materials posted on the Commission website www.nrvrc.org

The New River Valley Regional Commission provides area wide planning for the physical, social, and economic elements of the district; encourages and assists local governments in planning for their future; provides a means of coordinating federal, state, and local efforts to resolve area problems; provides a forum for review of mutual concerns; and implements services upon request of member local governments.



6580 Valley Center Drive | Suite 124 | Radford, VA 24141 | 540-639-9313

NRVRC.ORG

MEMORANDUM

To: NRVRC Board Members
From: Jessica Barrett, Finance Director
Date: February 15, 2023
Re: January 2023 Financial Statements

The January 2023 Agencywide Revenue and Expenditure Report and Balance Sheet are enclosed for your review. Financial reports are reviewed by the Executive Committee prior to inclusion in the meeting packet.

The Agencywide Revenue and Expense report compares actual year to date receipts and expenses to the FY22-23 budget adopted by the Commission at the August 25, 2022 meeting. The financial operations of the agency are somewhat fluid and projects, added and modified throughout the year, along with the high volume of Workforce program activities, impact the adopted budget. To provide clarity, Commission and Workforce Development Board activities are separated on the agencywide report.

As of month-end January 2023 (58.33% of the fiscal year), Commission year to date revenues are 51% and expenses are 56% of adopted budget. The two largest budget expense lines, Salary and Fringe, are in line with budget at 58% and 62%, respectively.

Looking at the balance sheet, Accounts Receivable is \$707,060. Of this total, Workforce receivables are \$432,120 (61%) and current. The Executive Committee reviews all aged receivables over 60 days and no receivables are deemed uncollectible. Net Projects (\$249,543) represents project expenses, primarily benchmark projects, that cannot be invoiced yet and posted to receivables.

Counties

Floyd | Giles
Montgomery | Pulaski

City

Radford

Towns

Blacksburg | Christiansburg
Floyd | Narrows | Pearisburg
Pembroke | Pulaski | Rich Creek

Higher Education

Virginia Tech | Radford University
New River Community College

New River Valley Regional Commission

Balance Sheet

1/31/2023

<u>Assets:</u>		<u>Prior Month</u>	<u>Current Month</u>
Operating Account		158,190	84,547
Certificate of Deposit		110,488	110,488
Accounts Receivable		763,854	707,060
Loans Receivable - Revolving Loan Fund		53,770	52,903
Restricted Cash - Revolving Loan Fund		50,932	51,916
Commission Vehicles		0	32,365
	Total Assets:	<u>1,137,234</u>	<u>1,039,279</u>
<u>Liabilities:</u>			
Accounts Payable		75,139	51,602
Accrued Annual Leave		102,657	102,657
Accrued Unemployment		27,432	28,920
Expense Reimbursement		792	2,401
	Total Liabilities:	<u>206,020</u>	<u>185,580</u>
<u>Projects:</u>			
(Equity Accounts)	Net Projects	(149,065)	(249,543)
	Current Year Unrestricted	157,061	180,031
	Unrestricted Net Assets	833,422	833,422
	Restricted Net Assets - Revolving Loan Fund	103,929	103,929
	Total Projects (Equity)	<u>945,347</u>	<u>867,840</u>
	Total Liabilities and Projects	<u>1,151,367</u>	<u>1,053,420</u>
	Net Difference to be Reconciled	<u>(14,133)</u>	<u>(14,141)</u>
	Total Adjustments to Post*	14,133	14,141
	Unreconciled Balance (after adjustment)	<u>0</u>	<u>0</u>

*YTD adjustment to Accrued Leave. Final adjustment posted to general ledger at fiscal year end closeout.

**New River Valley Regional Commission
Revenue and Expenditures - January 2023**

FY22-23 Budget		(58.33% of FY)			
		January 2023	YTD	Under/Over	% Budget
NRVRC Anticipated Revenues					
ARC	87,702	0	43,851	43,851	50.00%
ARC - New River Water Trail Expansion	20,000	0	0	20,000	0.00%
ARC - PemTel Painters School Road Broadband	5,210	0	21,763	(16,553)	417.71%
Local Assessment	238,220	0	238,220	0	100.00%
DHCD - Administrative Grant	89,971	22,493	67,478	22,493	75.00%
DRPT RIDE Solutions NRV	84,320	0	39,575	44,745	46.93%
DRPT NRVCAP RideSolutions Strategic Plan	32,870	0	0	32,870	0.00%
EDA	70,000	0	35,000	35,000	50.00%
Workforce Fiscal Agent	75,000	15,000	60,000	15,000	80.00%
Workforce RSVP Fiscal Agent	25,000	0	0	25,000	0.00%
Workforce Power Fiscal Agent	25,000	12,500	25,000	0	100.00%
Workforce YouthBuild Fiscal Agent	25,000	0	25,000	0	100.00%
VDOT	58,000	0	37,736	20,264	65.06%
VDOT - Rocky Knob Project	70,000	0	0	70,000	0.00%
Floyd County	65,244	0	14,861	50,383	22.78%
Floyd Town	3,303	0	3,487	(184)	105.57%
Giles County	9,500	0	13,535	(4,035)	142.48%
Narrows Town	10,133	5,610	8,953	1,180	88.36%
Rich Creek Town	7,000	0	943	6,057	13.47%
Montgomery County	12,500	0	(5,000)	17,500	-40.00%
Blacksburg Town	14,000	1,167	8,167	5,833	58.33%
Christiansburg Town	20,500	0	9,133	11,367	44.55%
Pulaski County	5,000	0	1,160	3,840	23.20%
Pulaski Town	2,652	0	7,500	(4,848)	282.86%
Radford City	82,500	3,930	33,184	49,316	40.22%
Radford University	17,500	0	9,237	8,263	52.78%
Miscellaneous Income	0	(340)	8,034	(8,034)	0.00%
Virginia's First RIFA	13,000	6,750	13,500	(500)	103.85%
NRV MPO	40,000	0	0	40,000	0.00%
Pembroke	13,000	1,805	6,070	6,931	46.69%
Montgomery Bland Pulaski VATI	116,125	0	0	116,125	0.00%
CDBG COVID19	237,212	5,000	214,092	23,120	90.25%
Dept of Environmental Quality	22,672	0	11,338	11,333	50.01%
VDEM	70,500	0	22,315	48,185	31.65%
Virginia Outdoors Foundation	25,000	0	0	25,000	0.00%
VHDA	69,000	0	18,899	50,102	27.39%
Southwest Virginia SWMA	7,470	3,500	7,000	470	93.71%
Virginia Recycling Association	15,450	3,500	10,500	4,950	67.96%
New River Health District	75,000	0	7,585	67,415	10.11%
Friends of SWVA	7,351	0	2,996	4,354	40.76%
United Way Southwest Virginia	20,000	0	0	20,000	0.00%
VOF SwVA Natives Campaign Project Match	0	0	1,000	(1,000)	0.00%
VDH Office of Drinking Water	80,000	0	2,242	77,758	2.80%
Mount Rogers PDC	45,000	0	30,000	15,000	66.67%
Revolving Loan - Interest	0	117	910	(910)	0.00%
Local Match (unprogrammed ARC)	35,351	0	0	35,351	0.00%
Direct Charge Reimbursement	0	0	0	0	0.00%
Grant income (anticipated)	9,535	0	0	9,535	0.00%
Sub Total Revenues	2,057,789	81,031	1,055,262	1,002,527	51.28%
Expenses					
Salaries	1,215,392	104,325	700,128	515,264	57.61%
Fringe Benefits	328,163	30,369	203,240	124,923	61.93%
Travel	35,650	1,495	16,134	19,516	45.26%
Office Space	68,730	5,727	40,092	28,638	58.33%
Communications	21,460	1,566	12,558	8,902	58.52%
Office Supplies	38,898	1,852	31,344	7,554	80.58%
Postage	1,400	27	654	746	46.74%
Printing	6,200	0	6,745	(545)	108.78%
Copier Usage/Maintenance	1,500	0	548	952	36.55%
Outreach/Media Adv	12,360	25	432	11,928	3.50%
Equipment Rent/Copier	3,000	223	1,564	1,436	52.12%
Fleet Vehicles	4,400	(417)	1,063	3,337	24.17%
Dues/Publications	20,215	110	16,670	3,545	82.46%
Training/Staff Development	27,170	965	6,077	21,093	22.37%
Insurance	4,200	1,033	3,100	1,100	73.80%
Meeting Costs	12,200	271	9,916	2,284	81.28%
Contractual Services	236,195	11,544	92,696	143,499	39.25%
Professional Services Audit/Legal	11,000	133	2,936	8,065	26.69%
Miscellaneous/Fees	4,700	235	4,261	439	90.66%
Reimbursed Expenses	0	(946)	629	(629)	0.00%
Unassigned Expenses	4,956	0	0	0	0.00%
Sub Total Expenses	2,057,789	158,538	1,150,788	902,045	55.92%
NRVRC Balance	0	(77,508)	(95,526)		

**New River/Mount Rogers Workforce Development Board
Revenue and Expenditures - January 2023**

(58.33% of FY)

NR/MR WDB Anticipated Revenues		January 2023	YTD	Under/Over	% Budget
Workforce Development Area	3,915,121	124,292	792,990	3,122,131	20.25%
Sub Total Revenues	3,915,121	124,292	792,990	3,122,131	
Expenses					
Salaries	609,510	50,924	348,590	260,920	57.19%
Fringe Benefits	201,138	13,596	94,961	106,177	47.21%
Travel	30,000	2,233	12,091	17,909	40.30%
Office Space	36,000	2,208	18,886	17,114	52.46%
Communications	15,000	986	8,252	6,748	55.02%
Office Supplies	40,000	2,162	10,769	29,231	26.92%
Postage	250	10	10	240	4.02%
Printing	1,500	168	351	1,149	23.37%
Outreach/Media Adv	35,000	355	6,499	28,501	18.57%
Equipment Rent/Copier	1,700	399	634	1,066	37.28%
Dues/Publications	5,000	100	959	4,041	19.18%
Training/Staff Development	7,000	459	3,329	3,671	47.56%
Insurance	5,000	0	3,220	1,780	64.40%
Meeting Costs	7,000	725	5,243	1,757	74.89%
Contractual Services	2,872,938	48,403	277,301	2,595,637	9.65%
Professional Services Audit/Legal	15,000	1,564	1,856	13,144	12.37%
Miscellaneous/Fees	33,085	0	0	33,085	0.12%
Workforce Grants Admin	0	0	39	(39)	0.00%
Sub Total Expenses	3,915,121	124,292	792,990	3,122,131	20.25%
NR/MR WDB Balance	0	0	0		

Total Agency R&E		January 2023	YTD	
Anticipated Revenue	5,972,910	205,322	1,848,252	30.94%
Anticipated Expense	5,972,910	282,830	1,943,778	32.54%
Balance	0	(77,508)	(95,526)	



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COMMONWEALTH INTERGOVERNMENTAL REVIEW MEMORANDUM

TO: Regional Commission Board Members

FROM: Kevin R. Byrd, Executive Director

AGENDA ITEM: III. Intergovernmental Review Process, A. Projects signed off by the staff, Item #1

CIRP Review

February 16, 2023

PROJECT: Calfee Community & Cultural Center application for Federal Assistance to US EDA for the renovation and uplifting of a digital lab
VA230127-01900400155

SUBMITTED BY: Calfee Community & Cultural Center

PROJECT DESCRIPTION: Calfee Community & Cultural Center is requesting comments on an application for Federal Assistance.

PROJECT SENT FOR REVIEW TO: Commission Board Members

Strengthening the Region through Collaboration

Counties

Floyd | Giles
Montgomery | Pulaski
City
Radford

Towns

Blacksburg | Christiansburg
Floyd | Narrows | Pearisburg
Pembroke | Pulaski
Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College

**11/01/2022 Computer Lab
Estimate Markup
ARW (Balzer)**

Lee Kesler Construction					
Project: Calfee Community & Cultural Center					
Location: Pulaski					
Budget Date: 3-21-22 Schematic Budget #1.1					
Spec. #	Title	Vendor	S.O.V.	Building SF:	%
01000	General Conditions:	Lee Kesler Construction	\$90,000.00	18,000	2.2%
01000	Architectural, Civil, Structural, M.E.P. Design & CA fees :	Balzer & Associates	\$187,700.00	\$10.43	4.7%
01000	3rd party Inspections / Testing:	NIC	\$0.00	\$0.00	0.0%
01000	Historical Restoration Factor:	Lee Kesler Construction	\$165,000.00	\$9.17	4.1%
01000	City - Road Opening / Right Away / E&S Bonds:	Lee Kesler Construction	\$1,750.00	\$0.10	0.0%
01800	Equipment:	Lee Kesler Construction	\$66,000.00	\$3.67	1.6%
02000	Hazardous Material survey / abatement :	NIC	\$0.00	\$0.00	0.0%
02000	Selective Existing Building Demolition:	Lee Kesler Construction	\$60,000.00	\$3.33	1.5%
02200	Site Demolition / Grading / backfill of new curbs:	Lee Kesler Construction	\$35,000.00	\$1.94	0.9%
02200	Excavation of unsuitable soil / rock:	NIC	\$0.00	\$0.00	0.0%
02440	Screen Walls / Dumpster Corral Alterations:	NIC	\$0.00	\$0.00	0.0%
02440	Fencing around both playgrounds:	Lee Kesler Construction	\$30,000.00	\$1.67	0.7%
02440	Fencing around basketball court:	NIC	\$0.00	\$0.00	0.0%
02480	Landscaping / Seeding:	Lee Kesler Construction	\$5,000.00	\$0.28	0.1%
02490	Retaining Walls:	Lee Kesler Construction	\$25,000.00	\$1.39	0.6%
02500	Asphalt Pavement / Re-sealing & strip / wheel stops:	Lee Kesler Construction	\$85,000.00	\$4.72	2.1%
02512	Site Concrete -Street Sidewalk / curbs & gutter / vehicle entrance aprons:	NIC	\$0.00	\$0.00	0.0%
02512	Site Concrete - reworked concrete curbs / sidewalks against on building side:	Lee Kesler Construction	\$25,000.00	\$1.39	0.6%
02700	Site Utilities water / sewer / gas / power / cable / phone:	NIC	\$0.00	\$0.00	0.0%
02700	Site Storm Water Drainage:	Lee Kesler Construction	\$12,000.00	\$0.67	0.3%
02700	Water Quality Control - nutrient credit:	NIC	\$0.00	\$0.00	0.0%
02800	Stand alone structures on site: Pavilion / Storage sheds :	NIC	\$0.00	\$0.00	0.0%
03000	Building Concrete / fill material for elevated slab / Soil Treatment at new footprint area	Lee Kesler Construction	\$35,000.00	\$1.94	0.9%
03000	Building Concrete repairs to existing :	Lee Kesler Construction	\$5,000.00	\$0.28	0.1%
04200	Masonry Brick :	Lee Kesler Construction	\$25,000.00	\$1.39	0.6%
04200	Masonry brick repair :	Lee Kesler Construction	\$8,000.00	\$0.44	0.2%
05000	Misc. metals - handrails at steps / ADA ramp rails :	Lee Kesler Construction	\$6,000.00	\$0.33	0.1%
05000	Misc. metals / structural canopy at entrances :	NIC	\$0.00	\$0.00	0.0%
06001	Wood Wall / Floor / Roof Framing - new work:	Lee Kesler Construction	\$80,000.00	\$4.44	2.0%
06001	Wood Wall / Floor / Roof Framing - repairs to existing:	Lee Kesler Construction	\$45,000.00	\$2.50	1.1%
06002	Interior Finish Carpentry:	Lee Kesler Construction	\$20,000.00	\$1.11	0.5%
06400	Cabinets :	Lee Kesler Construction	\$85,000.00	\$4.72	2.1%
07200	Exterior Walls & Roof Insulation / Air seal / Interior sound batts new walls only:	Lee Kesler Construction	\$12,000.00	\$0.67	0.3%
07200	Exterior Walls & Roof Insulation / Air seal / Interior sound batts existing building:	Lee Kesler Construction	\$18,000.00	\$1.00	0.4%
07275	Fire Separation Walls with in existing building:	NIC	\$0.00	\$0.00	0.0%
07410	Exterior Wood trim repair:	Lee Kesler Construction	\$60,000.00	\$3.33	1.5%
07530	New Roofing / Gutters / Down Spouts:	Lee Kesler Construction	\$270,000.00	\$15.00	6.7%
07900	Joint Sealants:	Lee Kesler Construction	\$6,000.00	\$0.33	0.1%
08100	Doors / Frames / Standard Hardware :	Lee Kesler Construction	\$90,000.00	\$5.00	2.2%
08100	Security Access Door Hardware :	Lee Kesler Construction	\$52,000.00	\$2.89	1.3%
08400	Aluminum Storefront Lobby / vestibules:	Lee Kesler Construction	\$45,000.00	\$2.50	1.1%
08400	Exterior windows:	Lee Kesler Construction	\$85,000.00	\$4.72	2.1%
09250	Gypsum Wallboard / ACT:	Lee Kesler Construction	\$143,000.00	\$7.94	3.6%
09660	Flooring / Base / tread & risers:	Lee Kesler Construction	\$160,000.00	\$8.89	4.0%
09900	Interior & Exterior Painting:	Lee Kesler Construction	\$60,000.00	\$3.33	1.5%
10260	Interior wall protection / corner guards:	NIC	\$0.00	\$0.00	0.0%
10400	Exterior building façade or monument Signage:	Lee Kesler Construction	\$30,000.00	\$1.67	0.7%
10400	Interior Signage:	Lee Kesler Construction	\$3,000.00	\$0.17	0.1%
10520	Fire Extinguishers:	Lee Kesler Construction	\$1,000.00	\$0.06	0.0%
10800	Toilet Accessories:	Lee Kesler Construction	\$4,500.00	\$0.25	0.1%
11404	OFFE:	NIC	\$0.00	\$0.00	0.0%
12510	Window Treatment:	NIC	\$0.00	\$0.00	0.0%
14000	Elevator:	Lee Kesler Construction	\$82,000.00	\$4.56	2.0%
15150	Plumbing for class rooms / Restrooms / Kitchens :	Lee Kesler Construction	\$180,000.00	\$10.00	4.5%
15250	H.V.A.C. :	Lee Kesler Construction	\$725,000.00	\$40.28	18.1%
15400	Sprinkler:	NIC	\$0.00	\$0.00	0.0%
16000	Site Electrical :	Lee Kesler Construction	\$60,000.00	\$3.33	1.5%
16000	Building Electrical / Fire Alarm:	Lee Kesler Construction	\$366,500.00	\$20.36	9.1%
16000	Generator:	NIC	\$0.00	\$0.00	0.0%
16000	Data / Security / Phone / Cable TV:	Lee Kesler Construction	\$65,000.00	\$3.61	1.6%
150000	Contractor Margin: (fixed fee @ 5 % for 10 month project)	Lee Kesler Construction	\$200,000.00	\$11.11	5.0%
17500	Construction / Design / Client budget contingency:	Lee Kesler / Balzer	\$400,000		10.0%
18000	Performance & Payment Bond	NIC	\$0.00	\$0.00	0.0%
		Estimate Totals >>	\$4,214,450.00	\$223.03	100.0%

Site Work >> \$453,749.97 x 25% = **\$113,437.50**

Building >> \$3,760,700.03 \$209.00/SF
 - \$ 187,700.00 (01000 A&E Fees)
 - \$ 82,000.00 (14000 Elevator)
\$3,491,000.03 \$193.94/SF

5,926 SF * 193.94 = **\$1,149,288.44**

Total Estimated Cost = \$1,262,725.93

Site Work >>

\$453,749.97 \$25.21

Building >>

\$3,760,700.03 \$209.00

Total Building & Site >>

\$4,214,450.00



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N R V R C . O R G

February 16, 2023

Executive Director's Report

Economic Development:

- VATI 2022: Pulaski County is under contract and final engineering is underway. Early planning has started for a community event to announce the project before field work gets underway. Montgomery/Bland is on track to be under contract this month and will shift to final engineering. Construction is anticipated to start in Eastern Montgomery area in the spring.
- VATI 2023: Giles County had two applications submitted. One with PemTel and another with GigaBeam covering adjoining geographies. Currently waiting announcements from the Governor's Office.
- Commission staff is helping to coordinate a meeting between the county/city administrators to discuss options for a regional opioid abatement program. Any approaches would be closely aligned with implementing partners in the region.

Transportation:

- The NRV Passenger Rail Station Authority will hold their next meeting on February 23rd at 11:30am at the Pulaski County Innovation Center. Bylaws were adopted at the January meeting while the Regional Commission was selected to provide staffing support and Sands Anderson, PLC will serve as legal counsel. The February agenda will include voting on a slate of officers identified by the nominating committee, receiving an update from Virginia Passenger Rail Authority (VPRA) staff, and finalizing a RFQ for architectural/engineering services. VPRA will host a regional update briefing in March. Date/time TBD.

Natural Resources:

- The Plant SWVA Natives Campaign and Propagation Center at the Hale Garden in Blacksburg in partnership with Live, Work, Eat, Grow, Inc is making consistent progress during the winter months. The propagation area was recently fenced in, a shed will be placed on site soon, and a Blacksburg High School class will build propagation tables this spring.

Regional:

- The Business Continuity Team, with support from Uncork-it and other NRVRC team members, has been working on a NRV Public Health Task Force After Action Report. The document covers lessons learned, what worked well, what did not, and items the region should take into account in future when assembling in a regional response format. The report will be released in March and a presentation will be on the Commission's agenda next month.
- The annual NRV Livability Exchange is taking place on 3/16 at the German Club in Blacksburg 8:30am-12:00pm. The Regional Commission is co-hosting with the Community Foundation. We will have lightning round speakers highlighting projects across the region followed by a panel discussion on engaging people in collectively owned projects.

Commission:

- In March we will hold our annual staff Souper Bowl lunch. It's always a "hotly" contested event for the best soup with the winner receiving a highly coveted gaudy trophy (and bragging rights for 12 months).
- I was invited, along with my counterpart from Roanoke, to participate on the Blue Ridge Public Television show, Conversations with Bob Denton. The focus will be on the role of the Planning District Commissions along with projects in the past and future of our organizations. This will be a nice opportunity to discuss the high-level of regional collaboration in the New River Valley. Taping will be on 3/2.



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MEMORANDUM

To: NRVRC Board Members
From: Kevin Byrd, Executive Director
Date: February 17, 2023
Re: GO Virginia Region 2 Overview and Program Impact

At the February Regional Commission meeting there will be a presentation about the GO Virginia program with a focus on Region 2. The Region 2 geography includes the New River Valley, Roanoke Valley, and Lynchburg regions and utilizes the planning district commission geographies of the three areas. In the New River Valley, the GO Virginia program has helped support numerous projects, a few of which the Regional Commission was highly involved, which included expansion of the Roanoke Small Business Development Center (SBDC) to have a full-time staff member serving the New River Valley. GO Virginia was also a key funder for the pandemic response Business Continuity Team that served over 480 unique businesses impacting more than 57,000 jobs in the New River Valley.

Presenting will be Dr. Raymond Smoot and Justin Yalung. John Provo with the Virginia Tech Center for Economic Development and Community Engagement will be in attendance as staff to the GO Virginia Region 2 Council. More about Dr. Smoot and Mr. Yalung is below.

Raymond D. Smoot, Jr., is Chief Executive Officer Emeritus and Secretary-Treasurer of the Virginia Tech Foundation, Inc. where he was responsible for management of assets and real estate development in excess of \$1.3 billion including the university's endowment, the Virginia Tech Corporate Research Center, and the Hotel Roanoke. He previously held several vice-presidential posts at Virginia Tech, most recently as Vice President for Administration and Treasurer. Dr. Smoot is a native of Lynchburg, Virginia, and earned bachelor's and master's degrees from Virginia Tech and a Ph.D. from The Ohio State University. Dr. Smoot is active in business and community affairs, having served as Chairman and director of Atlantic Union Bankshares (a regional bank), executive committee member and finance committee chair of Carilion Clinic, and a director of RGC Resources, Inc. He is a director of the Via College of Osteopathic Medicine and has served as Chairman of the Investment Committee of the Virginia Retirement System, one of the nation's largest pension funds. Since 2017, Dr. smoot has served as a member of the Commonwealth

Strengthening the Region through Collaboration

Counties

Floyd | Giles
Montgomery | Pulaski
City
Radford

Towns

Blacksburg | Christiansburg
Floyd | Narrows | Pearisburg
Pembroke | Pulaski
Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College

Transportation Board where he has successfully advocated the extension of passenger rail service to the New River Valley and improvements to I-81.

Justin Yalung is the COO & CFO of IV Labs where he is responsible for the organization's corporate strategy and operational performance. Established in 1989 in New Jersey and headquartered in the NRV since 2009, IV has been home to innovative chemistry and custom chemical manufacturing for over 3 decades. Across its two divisions—Inorganic Ventures and MERGE Chemistry—IV serves a wide array of industries including contract testing, environmental, biopharma, mining, industrials, and energy. Prior to his tenure at IV, he served in a variety of leadership and senior finance roles within the biotech industry at TechLab and bioMérieux, hardware and software at IBM, and the energy industry at GE (now GE Vernova). Justin is a native of Virginia Beach and received his bachelor's degree in Finance from Virginia Tech. Since returning to Blacksburg in 2012, Justin has been very active in the regional community and served on the boards of the Virginia Tech Alumni Association, RBTC, and Onward NRV. He currently serves as Treasurer on Verge (formerly Valleys Innovation Council) board of directors and is a council member of GO Virginia Region 2.



6580 Valley Center Drive | Suite 124 | Radford, VA 24141 | 540-639-9313

NRVRC.ORG

MEMORANDUM

To: NRVRC Board Members

From: Kevin Byrd, Executive Director

Date: February 17, 2023

Re: Salvation Army of the New River Valley Overview and Engagement Opportunities

At the February Regional Commission meeting there will be a presentation about the Salvation Army of the New River Valley. Ms. Merissa Sachs will be in attendance to discuss the organization and ways communities across the region can become involved. Ms. Sachs is a former member of the Christiansburg Town Council and served on the Regional Commission board during her tenure with the town.

Strengthening the Region through Collaboration

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Montgomery | Pulaski
City
Radford

Towns

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Floyd | Narrows | Pearisburg
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Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College



6580 Valley Center Drive | Suite 124 | Radford, VA 24141 | 540-639-9313

NRVRC.ORG

MEMORANDUM

To: NRVRC Board Members
From: Kevin R. Byrd, Executive Director
Date: February 16, 2023
Re: FY22 Audit Report

Enclosed is the FY22 audit prepared by Corbin Stone, a Certified Public Accountant, with Robinson, Farmer, Cox Associates based in Blacksburg. Mr. Stone and his staff were on-site in August to conduct the FY22 audit and provided the attached cover letter and financial report for the Commission board to review. The audit report finds all Commission programs were in compliance and did not identify any deficiencies in internal control over compliance that the auditor would consider to be material weaknesses.

The Commission must take action whether to accept the audit report as presented.

Strengthening the Region through Collaboration

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Radford University
New River Community College

NEW RIVER VALLEY REGIONAL COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

NEW RIVER VALLEY REGIONAL COMMISSION
 FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION



Independent Auditors' Report

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of New River Valley Regional Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the New River Valley Regional 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 and each major fund of the New River Valley Regional Commission, as of June 30, 2022, 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 the New River Valley Regional 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 the New River Valley Regional 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 the New River Valley Regional Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New River Valley Regional 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 budgetary comparison information and schedules related to pension 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the New River Valley Regional Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New River Valley Regional 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 the New River Valley Regional Commission's internal control over financial reporting and compliance.



Blacksburg, Virginia
December 22, 2022

Basic Financial Statements

New River Valley Regional Commission
Statement of Net Position
June 30, 2022

		Governmental Activities
ASSETS		
Cash and cash equivalents	\$	316,661
Cash and cash equivalents with trustee - restricted		76,857
Investments		110,488
Accounts receivable		5,190
Loans receivable		11,150
Due from other governmental units		1,242,896
Net pension asset		161,571
Capital assets (net of accumulated depreciation):		
Intangible asset - website		25,521
Total assets	\$	1,950,334
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$	184,806
Total deferred outflows of resources	\$	184,806
LIABILITIES		
Accounts payable	\$	550,932
Accrued unemployment liability		27,998
Unearned revenue		88,541
Noncurrent liabilities:		
Due within one year		82,883
Due in more than one year		27,627
Total liabilities	\$	777,981
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$	367,420
Total deferred inflows of resources	\$	367,420
NET POSITION		
Investment in capital assets	\$	25,521
Restricted		
Workforce Investment Act		71,685
Revolving loan program		88,007
Net pension asset		161,571
Unrestricted		642,955
Total net position	\$	989,739

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

New River Valley Regional Commission
 Statement of Activities
 For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Health and welfare	\$ 3,315,436	\$ -	\$ 3,221,020	(94,416)
Community development	1,935,295	740,742	1,182,077	(12,476)
Total governmental activities	\$ 5,250,731	\$ 740,742	\$ 4,403,097	\$ (106,892)
General revenues:				
Interest Income				\$ 2,573
Miscellaneous				112,572
Total general revenues				115,145
Change in net position				\$ 8,253
Net position - beginning				981,486
Net position - ending				\$ 989,739

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

New River Valley Regional Commission
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>WIA Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 136,671	\$ 179,990	\$ 316,661
Cash and cash equivalents with trustee - restricted	76,857	-	76,857
Investments	110,488	-	110,488
Accounts receivable	4,606	584	5,190
Loans receivable	11,150	-	11,150
Internal balances	384,928	-	384,928
Due from other governmental units	483,550	759,346	1,242,896
Total assets	<u>\$ 1,208,250</u>	<u>\$ 939,920</u>	<u>\$ 2,148,170</u>
LIABILITIES			
Accounts payable	\$ 123,745	\$ 427,187	\$ 550,932
Accrued unemployment liability	27,998	-	27,998
Unearned revenue	32,421	56,120	88,541
Due to other funds	-	384,928	384,928
Total liabilities	<u>\$ 184,164</u>	<u>\$ 868,235</u>	<u>\$ 1,052,399</u>
FUND BALANCE			
Restricted:			
Workforce Investment Act	\$ -	\$ 71,685	\$ 71,685
Revolving loan program	88,007	-	88,007
Unassigned	936,079	-	936,079
Total fund balance	<u>\$ 1,024,086</u>	<u>\$ 71,685</u>	<u>\$ 1,095,771</u>
Total liabilities and fund balance	<u>\$ 1,208,250</u>	<u>\$ 939,920</u>	<u>\$ 2,148,170</u>

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

New River Valley Regional Commission
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet	\$	1,095,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Intangible asset		25,521
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.		
Net pension asset		161,571
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Pension related items		184,806
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(110,510)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items		<u>(367,420)</u>
Net position of governmental activities	\$	<u><u>989,739</u></u>

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

New River Valley Regional Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

Revenues:	General Fund	WIA Fund	Total
Interest Income	\$ 2,573	\$ -	\$ 2,573
Charges for services	740,742	-	740,742
Contributions from localities	236,249	-	236,249
Miscellaneous revenue	4,600	107,972	112,572
Intergovernmental	945,828	3,221,020	4,166,848
Total revenues	<u>\$ 1,929,992</u>	<u>\$ 3,328,992</u>	<u>\$ 5,258,984</u>
Expenditures:			
Community development	\$ 1,929,056	\$ -	\$ 1,929,056
Health and welfare	-	3,315,436	3,315,436
Total expenditures	<u>\$ 1,929,056</u>	<u>\$ 3,315,436</u>	<u>\$ 5,244,492</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 936	\$ 13,556	\$ 14,492
Fund balance, beginning of year	<u>1,023,150</u>	<u>58,129</u>	<u>1,081,279</u>
Fund balance, end of year	<u>\$ 1,024,086</u>	<u>\$ 71,685</u>	<u>\$ 1,095,771</u>

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

New River Valley Regional Commission
 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, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	14,492
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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 capital outlays exceed depreciation expense in the current period.

Capital outlay	\$	26,250	
Depreciation expense		<u>(729)</u>	25,521

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.

Change in compensated absences	\$	(15,984)	
Change in pension related items		<u>(15,776)</u>	<u>(31,760)</u>

Change in net position of governmental activities	\$	<u>8,253</u>
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The notes to the financial statements are an integral part of this statement.

NEW RIVER VALLEY REGIONAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1-Summary of Significant Accounting Policies:

The financial statements of the New River Valley Regional Commission have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The New River Valley Regional Commission ("Commission") was formed pursuant Title 15.2, Chapter 42 of the *Code of Virginia, (1950) as amended*, to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance. Functional areas in which the Commission may assist participating jurisdictions include, but are not limited to: (i) economic and physical infrastructure development; (ii) solid waste, water supply and other environmental management; (iii) transportation; (iv) criminal justice; (v) emergency management; (vi) human services; and (vii) recreation. The Commission was formed to serve the towns of Blacksburg, Christiansburg, Floyd, Narrows, Pearisburg, Pembroke, Pulaski, and Rich Creek; the counties of Floyd, Giles, Montgomery and Pulaski; and the City of Radford.

The New River Valley Regional Commission's financial statements include the accounts of all the Commission's operations. The Commission has no component units.

B. Government-wide and fund financial statements

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission (primary government). For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are other charges between the Commission's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements (continued)

The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the functions (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The Commission reports the following major governmental funds:

The General Fund is the Commission's primary operating fund. It accounts for and reports all financial resources of the Commission, except those required to be accounted for in other funds.

The Workforce Investment Act Fund (WIA) accounts for and reports the deposit and expenditure of grant proceeds under the Workforce Investment Act programs.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and Cash Equivalents*

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. *Allowance for Uncollectible Accounts*

Accounts receivable are stated at book value utilizing the direct write-off method for uncollectible accounts. Uncollected balances have not been significant and no allowance for uncollectible accounts has been recorded.

4. *Use of Estimates*

The preparation of financial statements in conformity with U.S. 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.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
 (continued)

5. *Capital assets*

Capital assets are tangible and intangible assets, which include property, plant, and equipment, and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

As the Commission constructs or acquires capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Tangible and intangible property, plant, and equipment of the Commission are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5
Intangible asset (website)	3

6. *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 only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

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 only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)

7. *Compensated Absences*

Vested or accumulated paid time off that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The Commission accrues salary-related payments associated with the payment of compensated absences. All paid time off is accrued when incurred in the government-wide financial statements.

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

9. *Long-term obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued is reported as other financing sources in the statement of revenues, expenditures and changes in fund balance and is not presented as a liability in the balance sheet.

10. *Fund balance*

The following classifications of fund balance 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;

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)

10. Fund balance (continued)

- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Commission's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

11. Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted—consist of assets that are restricted by the Commission's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g. restricted bond and 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.

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.

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 Investor Service, Inc; A-1 by Standard and 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 investments, as reported in the financial statements as of June 30, 2022, consist of a non-negotiable certificate of deposit with an original maturity date of thirty months and has a balance of \$110,488 at year end.

Note 3-Due from Other Governmental Units:

The following amount represents payments due from other governmental units at year end:

	<u>Amount Due</u>
Local:	
Counties and Town	\$ 270,111
New River Valley MPO	19,194
New River Health District	1,525
Virginia's First Regional IFA	7,896
Radford University	19,112
Commonwealth of Virginia:	
Categorical aid	136,652
Federal government:	
Categorical aid	788,406
Total	<u>\$ 1,242,896</u>

NEW RIVER VALLEY REGIONAL COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022 (CONTINUED)

Note 4-Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Commission for the year ended June 30, 2022.

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amount Due Within One Year
Compensated Absences	\$ 94,526	\$ 86,879	\$ (70,895)	\$ 110,510	\$ 82,883
Total	\$ 94,526	\$ 86,879	\$ (70,895)	\$ 110,510	\$ 82,883

Note 5-Capital Assets:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Vehicles	\$ 31,421	\$ -	\$ -	\$ 31,421
Intangible asset (website)	-	26,250	-	26,250
Total capital assets, being depreciated	\$ 31,421	\$ 26,250	\$ -	\$ 57,671
Accumulated depreciation:				
Vehicles	\$ (31,421)	\$ -	\$ -	\$ (31,421)
Intangible asset (website)	-	(729)	-	(729)
Total accumulated depreciation	\$ (31,421)	\$ (729)	\$ -	\$ (32,150)
Total capital assets, net	\$ -	\$ 25,521	\$ -	\$ 25,521

Depreciation expense was charged to the community development function.

Note 6-Pension Plan:

Plan Description

All full-time, salaried employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pays 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.

Note 6-Pension Plan: (continued)

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 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.

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 and 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 and 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.

Note 6-Pension Plan: (continued)

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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	15
Inactive members:	
Vested inactive members	8
Non-vested inactive members	6
Inactive members active elsewhere in VRS	8
Total inactive members	<u>22</u>
Active members	<u>19</u>
Total covered employees	<u>56</u>

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 contribution rate for the year ended June 30, 2022 was 4.80% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$62,220 and \$51,568 for the years ended June 30, 2022 and June 30, 2021, respectively.

Note 6-Pension Plan: (continued)

Net Pension Asset

The net pension asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For New River Valley Regional Commission, the net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

Note 6-Pension Plan: (continued)

Actuarial Assumptions - General Employees (continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2000
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

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Note 6-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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 6-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 New River Valley Regional Commission was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2020	\$ 2,954,833	\$ 2,693,025	\$ 261,808
Changes for the year:			
Service cost	\$ 95,471	\$ -	\$ 95,471
Interest	195,110	-	195,110
Changes in assumptions	66,951	-	66,951
Differences between expected and actual experience	67,606	-	67,606
Contributions - employer	-	51,568	(51,568)
Contributions - employee	-	60,144	(60,144)
Net investment income	-	738,539	(738,539)
Benefit payments, including refunds of employee contributions	(128,630)	(128,630)	-
Administrative expenses	-	(1,804)	1,804
Other changes	-	70	(70)
Net changes	\$ 296,508	\$ 719,887	\$ (423,379)
Balances at June 30, 2021	\$ 3,251,341	\$ 3,412,912	\$ (161,571)

Note 6-Pension Plan: (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension liability (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%)
New River Valley Regional Commission's Net Pension Liability (Asset)	\$ 342,498	\$ (161,571)	\$ (563,707)

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

For the year ended June 30, 2022, the Commission recognized pension expense of \$77,996. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,432	\$ -
Changes in assumptions	42,154	-
Net difference between projected and actual earnings on pension plan investments	-	367,420
Employer contributions subsequent to the measurement date	62,220	-
Total	\$ 184,806	\$ 367,420

Note 6-Pension Plan: (continued)

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

\$62,220 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as an addition of the Net Pension Asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ 1,454
2024	(49,269)
2025	(85,541)
2026	(111,478)

Pension Plan Data

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

Note 7-Interfund Obligations:

At June 30, 2022, the general fund was due \$384,928 from the WIA fund. The amount due is a result of timing of reimbursement from the WIA fund for expenses paid by the general fund.

Note 8-Risk Management:

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates with other government entities in a public entity risk pool for their coverage of public officials and liability insurance with the VRSA. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Commission pays the VRSA contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Commission carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior two fiscal years.

Note 9-Compensated Absences:

Commission employees earn paid time off each month at a scheduled rate in accordance with years of service. Accumulated unpaid paid time off is accrued when incurred. At June 30, 2022 the liability for accrued paid time off totaled \$110,510.

Note 10-Loans Receivable:

Loans receivable include amounts due the Commission under their re-lending programs. The total amount due the Commission at June 30, 2022 was \$27,038. The Commission has recorded an allowance for doubtful accounts of \$15,888.

Note 11-Litigation:

At June 30, 2022, there were no matters of litigation involving the Commission which would materially affect the Commission’s financial position should any court decision on pending matters not be favorable to the Commission.

Note 12-Allocation of Indirect Costs:

The Commission has entered into various agreements to assist the management of various projects and grants. The Commission charges for direct costs incurred plus a portion of indirect costs. Indirect costs are allocated on the ratio of the individual project’s personnel services, including fringe benefits, to total personnel, including fringe benefits. For the period ending June 30, 2022, the Commission’s overall indirect cost rate of 34.16% was calculated as follows:

Indirect costs	\$ 419,652
Total direct personnel, including fringe benefits	<u>1,228,594</u>
Rate	34.16%

Note 13-Upcoming Pronouncements:

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

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

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

Note 13-Upcoming Pronouncements: (continued)

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

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

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

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

Required Supplementary Information

New River Valley Regional Commission
 Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
 Budget and Actual
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Revenue from local sources:				
Interest Income	\$ -	\$ -	\$ 2,573	\$ 2,573
Charges for services	612,617	612,617	740,742	128,125
Contributions from localities	236,249	236,249	236,249	-
Miscellaneous revenue	-	-	4,600	4,600
Total revenue from local sources	<u>\$ 848,866</u>	<u>\$ 848,866</u>	<u>\$ 984,164</u>	<u>\$ 135,298</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
DHCD grants (administrative)	\$ 89,971	\$ 89,971	\$ 89,971	\$ -
DEQ Grant	11,580	11,580	13,928	2,348
Virginia Department of Health	5,000	5,000	7,400	2,400
VHDA	50,000	50,000	40,256	(9,744)
Virginia Department of Transportation	25,600	25,600	12,238	(13,362)
VDRPT RideSolutions	63,570	63,570	70,588	7,018
Total revenue from the Commonwealth	<u>\$ 245,721</u>	<u>\$ 245,721</u>	<u>\$ 234,381</u>	<u>\$ (11,340)</u>
Revenue from the federal government:				
Categorical aid:				
ARC grant	\$ 89,006	\$ 89,006	\$ 109,679	\$ 20,673
Federal Department of Transportation	102,400	102,400	48,953	(53,447)
EDA grant	70,000	70,000	70,000	-
CDBG	338,000	338,000	246,182	(91,818)
CARES	202,500	202,500	233,218	30,718
VDEM	19,465	19,465	3,415	(16,050)
Total revenue from the federal government	<u>\$ 821,371</u>	<u>\$ 821,371</u>	<u>\$ 711,447</u>	<u>\$ (109,924)</u>
Total revenues	<u><u>\$ 1,915,958</u></u>	<u><u>\$ 1,915,958</u></u>	<u><u>\$ 1,929,992</u></u>	<u><u>\$ 14,034</u></u>

New River Valley Regional Commission
 Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
 Budget and Actual
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:				
Community Development:				
Personnel	\$ 1,152,949	\$ 1,152,949	\$ 1,168,357	\$ (15,408)
Fringe benefits	282,918	282,918	320,086	(37,168)
Office rent	76,175	76,175	77,642	(1,467)
Telephone	19,911	19,911	27,373	(7,462)
Office supplies	65,781	65,781	59,703	6,078
Postage	2,025	2,025	1,199	826
Printing	5,100	5,100	5,420	(320)
Advertising	2,600	2,600	12,685	(10,085)
Travel	34,650	34,650	27,547	7,103
Equipment maintenance and rent	44,243	44,243	5,594	38,649
Dues and publications	17,384	17,384	18,883	(1,499)
Training	14,115	14,115	12,998	1,117
Meeting expense	10,950	10,950	13,232	(2,282)
Insurance	4,682	4,682	4,082	600
Contractual services	167,294	167,294	117,662	49,632
Audit fee	4,540	4,540	10,619	(6,079)
Contribution to industry	-	-	15,888	(15,888)
Miscellaneous	4,700	4,700	30,086	(25,386)
Total expenditures	\$ 1,910,017	\$ 1,910,017	\$ 1,929,056	\$ (19,039)
Excess (deficiency) of revenues over (under) expenditures	\$ 5,941	\$ 5,941	\$ 936	\$ (5,005)
Fund balance, beginning of year	-	-	1,023,150	1,023,150
Fund balance, end of year	\$ 5,941	\$ 5,941	\$ 1,024,086	\$ 1,018,145

New River Valley Regional Commission
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 95,471	\$ 102,015	\$ 88,611	\$ 74,436	\$ 63,594	\$ 60,289	\$ 58,178	\$ 73,896
Service cost	195,110	177,512	163,344	156,893	148,310	135,569	144,082	134,557
Interest	66,951	-	88,369	-	(17,049)	-	-	-
Changes of assumptions	67,606	116,750	79,347	(40,686)	19,759	78,828	(238,023)	-
Differences between expected and actual experience	(128,630)	(142,489)	(104,227)	(92,744)	(91,265)	(94,061)	(77,634)	(67,136)
Benefit payments	296,508	253,788	315,444	97,899	123,349	180,625	(113,397)	141,317
Net change in total pension liability	2,954,833	2,701,045	2,385,601	2,287,702	2,164,353	1,983,728	2,097,125	1,955,808
Total pension liability - beginning	3,251,341	2,954,833	2,701,045	2,385,601	2,287,702	2,164,353	1,983,728	2,097,125
Total pension liability - ending (a)								
Plan fiduciary net position	\$ 51,568	\$ 25,972	\$ 27,748	\$ 25,518	\$ 22,496	\$ 47,681	\$ 45,215	\$ 43,157
Contributions - employer	60,144	52,247	52,583	47,502	40,211	41,419	33,981	31,093
Contributions - employee	738,539	50,883	171,551	178,103	264,347	37,797	94,586	279,654
Net investment income	(128,630)	(142,489)	(104,227)	(92,744)	(91,265)	(94,061)	(77,634)	(67,136)
Benefit payments	(1,804)	(1,779)	(1,681)	(1,525)	(1,525)	(1,321)	(1,274)	(1,486)
Administrative charges	70	(61)	(108)	(159)	(235)	(16)	(22)	15
Other	719,887	(15,227)	145,866	156,695	234,029	31,499	94,852	285,297
Net change in plan fiduciary net position	2,693,025	2,708,252	2,562,386	2,405,691	2,171,662	2,140,163	2,045,311	1,760,014
Plan fiduciary net position - beginning	3,412,912	2,693,025	2,708,252	2,562,386	2,405,691	2,171,662	2,140,163	2,045,311
Plan fiduciary net position - ending (b)								
Commission's net pension liability (asset) - ending (a) - (b)	\$ (161,571)	\$ 261,808	\$ (7,207)	\$ (176,785)	\$ (117,989)	\$ (7,309)	\$ (156,435)	\$ 51,814
Plan fiduciary net position as a percentage of the total pension liability	104.97%	91.14%	100.27%	107.41%	105.16%	100.34%	107.89%	97.53%
Covered payroll	\$ 1,309,283	\$ 1,119,239	\$ 1,122,452	\$ 1,007,089	\$ 849,852	\$ 749,202	\$ 702,092	\$ 621,860
Commission's net pension liability (asset) as a percentage of covered payroll	-12.34%	23.39%	-0.64%	-17.55%	-13.88%	-0.98%	-22.28%	8.33%

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.

New River Valley Regional Commission
 Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2013 through June 30, 2022

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)
2022	\$ 62,220	\$ 62,220	-	\$ 1,624,885	3.83%
2021	51,568	51,568	-	1,309,283	3.94%
2020	25,972	25,972	-	1,119,239	2.32%
2019	27,748	27,748	-	1,122,452	2.47%
2018	25,518	25,518	-	1,007,089	2.53%
2017	22,496	22,496	-	849,852	2.65%
2016	47,681	47,681	-	749,202	6.60%
2015	45,215	45,215	-	702,092	6.60%
2014	43,157	43,157	-	621,860	6.94%
2013	52,783	52,783	-	760,566	6.94%

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

New River Valley Regional Commission
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2022

WIA Fund Budget:

The WIA Fund is not legally required to adopt a budget, thus eliminating the requirement to present budgetary comparison information.

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

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

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

COMPLIANCE SECTION



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 Members of the Board
New River Valley Regional Commission
Radford, 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 and each major fund of the New River Valley Regional Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the New River Valley Regional Commission's basic financial statements and have issued our report thereon dated December 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New River Valley Regional 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 New River Valley Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the New River Valley Regional 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 the New River Valley Regional 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

Blacksburg, Virginia
December 22, 2022



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

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the New River Valley Regional 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 the New River Valley Regional Commission's major federal programs for the year ended June 30, 2022. The New River Valley Regional Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the New River Valley Regional Commission's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional 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 the New River Valley Regional Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 22, 2022

New River Valley Regional Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Labor:				
Direct Payments:				
H-1B Job Training Grants	17.268	Not applicable	\$ 45,417	
Youthbuild	17.274	Not applicable	237,084	
Pass-through payments from:				
Hamptons Roads Workforce Council				
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Not available	12,465	
Commonwealth of Virginia - Virginia Community College System: County of Pulaski, Virginia:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
		AA-34799-20-55-A-51/ AA-36350-21-55-A-51/ AA-38561-22-55-A-51	\$	
WIOA Adult Program	17.258		633,931	487,340
		AA-34799-20-55-A-51/ AA-36350-21-55-A-51/ AA-38561-22-55-A-51	515,230	273,987
WIOA Dislocated Worker Formula Grants	17.278		515,230	273,987
		AA-34799-20-55-A-51/ AA-36350-21-55-A-51/ AA-38561-22-55-A-51	705,531	504,149
WIOA Youth Activities	17.259		<u>705,531</u>	<u>504,149</u>
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>\$ 1,854,692</u>	
Pass-through payments from:				
Virginia Employment Commission:				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	Not available	\$ <u>4,774</u>	
Total Department of Labor			<u>\$ 2,154,432</u>	
Social Security Administration:				
Direct Payments:				
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.009	Not applicable	\$ <u>16,937</u>	
Appalachian Regional Commission:				
Direct Payments:				
Appalachian Local Development District Assistance	23.009	Not applicable	\$ 78,184	
Appalachian Area Development	23.002	Not applicable	539,351	136,950
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	Not applicable	<u>10,212</u>	
Total Appalachian Regional Commission			<u>\$ 627,747</u>	
U.S. Department of Housing and Urban Development:				
Pass-through payments from:				
Virginia Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Not available	\$ <u>81,706</u>	
Department of Transportation:				
Pass-through payments from:				
Virginia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UPC 0000118995	\$ <u>48,953</u>	
United States Department of Homeland Security:				
Pass-through payments from:				
Virginia Department of Emergency Management:				
Hazard Mitigation Grant	97.039	EMP-2020-BR-036-007	\$ <u>3,415</u>	
Department of Commerce:				
Direct Payments:				
Economic Development - Support for Planning Organizations	11.302	Not applicable	\$ 70,000	
Economic Development Cluster:				
Economic Adjustment Assistance	11.307	Not applicable	\$ 233,218	
Pass-through payments from:				
County of Giles, Virginia:				
Economic Adjustment Assistance	11.307	540855741	<u>164,476</u>	<u>397,694</u>
Total Department of Commerce			<u>\$ 467,694</u>	

New River Valley Regional Commission
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Treasury: Pass-through payment from: Virginia Employment Commission: COVID-19 Coronavirus Relief Fund	21.019	SLT0022	\$ 14,922	
Total Expenditures of Federal Awards			<u>\$ 3,415,806</u>	<u>\$ 1,402,426</u>

Notes to Schedule of Expenditures of Federal Awards

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the New River Valley Regional Commission under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budgets Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the New River Valley Regional Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the New River Valley Regional Commission.

Note B-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 OMB's Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

Note C-De Minimis Cost Rate:

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

Note D-Relationship to the Financial Statements:

Intergovernmental revenues per the basic financial statements	\$ 4,166,848
Less: Aid from the Commonwealth of Virginia	(751,042)
Federal revenue as reported above	<u>\$ 3,415,806</u>

New River Valley Regional Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
17.258/17.259/17.278	Workforce Innovation and Opportunity Act (WIOA) Cluster

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 - Status of Prior Audit Findings

There were no prior year audit findings reported.



Communication with Those Charged with Governance

To the Members of the Board of Directors
New River Valley Regional Commission

We have audited the financial statements of the governmental activities and each major fund of New River Valley Regional Commission for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New River Valley Regional Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the pension liability is based on calculations provided by the Virginia Retirement System (VRS). We evaluated the key factors and assumptions used to develop the retirement liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Management's estimate of the allowance for doubtful accounts is based on management's experience. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. A listing of our recommended audit adjustments is attached hereto.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the schedules related to pension funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Restriction on Use

This information is intended solely for the use of Board of Directors and management of New River Valley Regional Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 22, 2022

Client: **062110.0 - New River Valley Regional Commission**
 Engagement: **2022 - New River Valley Regional Commission**
 Period Ending: **6/30/2022**
 Trial Balance: **TB.01 - TB**
 Workpaper: **Adjusting Journal Entries Report PDC**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		R-02		
Proposed entry to reclass due from NRMR Workforce Development Board				
15000	Due from other funds		385,561.00	
14000	Accounts Receivable			385,561.00
Total			<u>385,561.00</u>	<u>385,561.00</u>
Adjusting Journal Entries JE # 2		TB.03		
Proposed entry to reconcile beginning balance				
23000	Accrued Annual Leave		87,808.00	
39500	Unrestricted Net Assets		2,000.00	
39600	Restricted Net Assets - Revolving Loan Fund		422.00	
49571	Virginia Outdoors Foundation		20,149.00	
49642	VOF SwVA Natives Campaign Project Match		5,865.00	
51000	Travel		517.00	
51300	Office Supplies		3.00	
51300	Office Supplies		5,042.00	
31692	VOF SwVA Natives Campaign			26,014.00
39500	Unrestricted Net Assets			3.00
39500	Unrestricted Net Assets			517.00
39500	Unrestricted Net Assets			5,042.00
39500	Unrestricted Net Assets			87,808.00
49998	Year End Restricted Net Assets Transfer			422.00
49998	Year End Restricted Net Assets Transfer			2,000.00
Total			<u>121,806.00</u>	<u>121,806.00</u>
Adjusting Journal Entries JE # 3		R-03		
Proposed entry to net workforce unearned and AR				
28000	Unearned Revenue		633.00	
15000	Due from other funds			633.00
Total			<u>633.00</u>	<u>633.00</u>
Adjusting Journal Entries JE # 4		R-11		
Proposed entry to correct loans receivable balances and record allowance				
49770	Revolving loan - interest		34.00	
55000	Bad debt expense		15,888.00	
16000	Loans Receivable - Revolving Loan Fund			34.00
16001	Allowance for Doubtful Accounts			15,888.00
Total			<u>15,922.00</u>	<u>15,922.00</u>
Adjusting Journal Entries JE # 5		NA		
To clear out change in accrued leave				
23000	Accrued Annual Leave		14,849.00	
50000	Salaries			14,849.00
Total			<u>14,849.00</u>	<u>14,849.00</u>

Client: **062110.0 - New River Valley Regional Commission**
 Engagement: **2022 - New River Valley Regional Commission**
 Period Ending: **6/30/2022**
 Trial Balance: **TB.01 - WTW TB**
 Workpaper: **Adjusting Journal Entries Report WIA**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		C-01a		
To remove amount shown as a deposit that did not hit bank account and move to AR				
101	Accounts Receivable		1,863.00	
100.04	Checking:Business Services			1,863.00
Total			1,863.00	1,863.00
Adjusting Journal Entries JE # 2		R-10/R-09		
Proposed entry to update unearned and amount due back to federal govt				
101	Accounts Receivable		5,172.00	
101	Accounts Receivable		46,429.00	
301	Misc Receivable		9,691.00	
201	Accounts Payable			5,172.00
205	Unearned revenue			9,691.00
205	Unearned revenue			46,429.00
Total			61,292.00	61,292.00
Adjusting Journal Entries JE # 3		R-09		
Entry to reclass revenue received that is in AR				
101	Accounts Receivable		2,202.00	
308	VEC Request			2,202.00
Total			2,202.00	2,202.00
Adjusting Journal Entries JE # 4		R-10		
Proposed entry to reclass revenue				
300	Commonwealth of VA Reimbursen		14,922.00	
301	Misc Receivable		479,971.00	
302	Sales		51,118.00	
305	ARC Reimbursements		15,400.00	
304	State revenue			516,661.00
306	Dept of Labor Reimbursements			426.00
308	VEC Request			14,922.00
310	Federal revenue			29,402.00
Total			561,411.00	561,411.00
Adjusting Journal Entries JE # 5		T-03		
To unwind an amount that was paid to the Regional Commission in FY22 in error and not corrected until FY23.				
201	Accounts Payable		632.00	
301	Misc Receivable		632.00	
101	Accounts Receivable			632.00
421	Program:307352 Career HRWC			632.00
Total			1,264.00	1,264.00
Adjusting Journal Entries JE # 6		E-10c		
Entry to reclassify amount owed to regional commission				
201	Accounts Payable		385,740.00	
202	Due to Other Funds			385,740.00
Total			385,740.00	385,740.00
Adjusting Journal Entries JE # 7		R-02		
Entry to post amount that should reduce due to RC (to agree to RC books)				
202	Due to Other Funds		812.00	
407	Program:307311 Workkeys			812.00
Total			812.00	812.00