



**Rappahannock-Rapidan Regional Commission Meeting
December 14, 2022 at 1:00 pm**

**RRRC Board Room
420 Southridge Parkway, Suite 106, Culpeper, VA 22701**

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call & Quorum Determination
4. **Approval of Agenda
5. Public Comment
6. Presentations & Special Recognition
 - a) **Resolution of Thanks to Outgoing Commissioner Evan H. Ashby III
7. Approval of Minutes
 - a) **August 24, 2022 ([Attachment](#))
8. Financial Reports
 - a) **Draft FY 2022 Audit Report ([Attachment](#))
 - b) **FY 2023 YTD Financial Report ([Attachment](#))
9. Executive Director's Report ([Attachment](#))
10. Staff Updates / Old Business
 - a) **PDC Housing Development Program ([Attachment](#))
 - b) Comprehensive Economic Development Strategy (CEDS)

11. New Business

- a) **RRRC application to DRPT for FY 2024 Commuter Assistance Program Operating grant (**Attachment**)
- b) **2023 Regional Legislative Priorities (**Attachment**)
- c) **Formation of Nominating Committee (**Attachment**)

12. Closed Session (if necessary)

13. Regional Roundtable

14. **Adjournment

**Commission Action Item

NOTE: An Executive Committee meeting will be convened if a quorum is not present.

**Rappahannock Rapidan Regional Commission
August 24, 2022 Regular Meeting
RRRC Board Room**

MINUTES

	Culpeper County		Town of Culpeper
X	Gary Deal	X	Chris Hively
X	John Egertson	X	Meaghan E. Taylor, Chair
	Fauquier County		Town of Gordonsville
	Christopher T. Butler	X	Robert K. Coiner
	Paul S. McCulla, Vice-Chair		Town of Madison
	Madison County		William Lamar
	R. Clay Jackson		Town of Orange
X	Jonathon Weakley	X	Martha Roby
	Orange County		Greg Woods, Treasurer
X	James P. Crozier		Town of Remington
X	Theodore Voorhees		Evan H. ‘Skeet’ Ashby
	Rappahannock County		Town of The Plains
X	Garrey W. Curry, Jr.		Lori B. Sisson
X	Debbie Donehey		Town of Warrenton
		X	William T. Semple II
			<i>Vacant</i>
			Town of Washington
			Frederic Catlin

Staff Present: Michelle Edwards, Patrick Mauney

Staff Present (Virtual): Liz Beling, Monica Creel, Kristin Lam Peraza, Terry Snead, Rebecca Wareham

1. Call to Order

Chair Taylor called meeting to order at 1:01 p.m.

Chair Taylor congratulated Bob Coiner for his recent recognition with the Virginia Association of Planning District Commissions President’s Award.

2. Pledge of Allegiance

Chair Taylor led Commissioners in the Pledge of Allegiance.

3. Roll Call & Quorum Determination

A quorum of the Commission was confirmed.

4. Agenda Approval

Upon motion by J Crozier, 2nd by D Donehey, the agenda was approved ayes all.

5. Public Comment

There were no comments from the public.

6. Presentations and Special Recognition

Chair Taylor welcomed Kristin Lam Peraza, RRRC TDM Coordinator & Mobility Manager. Ms. Peraza presented information from the Regional Transportation Collaborative, focusing on data collection efforts and detailed reports on transportation needs across the region. A copy of the data graphics and slides presented is included with the minutes.

Commissioners asked about ability to track ride requests that may be handled via telehealth and transportation challenges related to dental care needs. K Peraza referenced ease of integrating new metrics into the RTC database and for connections with local and regional partners. Commissioners asked about disparities in unmet needs by County. K Peraza noted volunteer driver availability, length of trip, and connectivity/availability of other transportation options as primary reasons.

Chair Taylor thanked Ms. Peraza for her presentation, and asked how Commissioners can help recruit. K Peraza indicated that direct requests are the most successful, though RTC has implemented various strategies including a donate it forward charitable donation mechanism.

7. Approval of Minutes

a) June 22, 2022

Chair Taylor presented the minutes from the June 22nd RRRC meeting. J Crozier moved to approve as presented, 2nd by J Weakley. The motion carried.

8. Financial Reports

a) FY 2022 Final Unaudited Financial Report

b) FY 2023 YTD Financial Report

c) Financial Account Summaries

Chair Taylor asked P Mauney to review the financial reports. P Mauney reviewed unaudited reports for FY 2022, noting that revenues were 98.2% and expenses 93.5% of budget, and indicated that the outside auditors were in the office yesterday to complete initial reviews and a draft audit should be available in October.

P Mauney also reviewed the FY 2023 year to date financials, noting no issues through the first month of the fiscal year.

Finally, P Mauney shared the bi-annual financial account summaries, underlining that the Commission remains in good financial position with stable reserves through FY 2022.

9. Executive Director's Report

Chair Taylor asked P Mauney to review the Director's report. P Mauney congratulated Commissioner Bob Coiner on his recent President's Award from the Virginia Association of Planning District Commissions, and thanked him for his efforts on behalf of the Commission.

P Mauney noted the recent award from the U.S. Economic Development Administration for a Comprehensive Economic Development Strategy and invited Commissioners to participate throughout the process beginning later in 2022 and early in 2023. He also noted recent engagement with emergency managers on a regional stream gauge projects, regional legislative priorities and upcoming work with Madison County in support of its Comprehensive Plan update.

Finally, he shared information on recent discussions with Foothills Housing Network partners on the need for regional emergency shelter space given the end of non-congregate shelter funding related to the pandemic and asked Commissioners to be aware of the growing number of individuals and households in the region with unstable housing, increased homeless population and the need for collaborative solutions not just for the winter months, but over the long-term.

10. Staff Updates

a) RRRC Annual Meeting / Awards

Chair Taylor asked P Mauney to report on the Annual Meeting and Leadership Awards. P Mauney thanked Commissioner Donehey for identifying locations in Rappahannock County for the meeting and shared that the meeting would be in late October, with additional details to be confirmed. He also asked for any additional leadership award nominations by the end of August.

b) Draft Personnel Manual Revisions

Chair Taylor reminded the Commission that a draft personnel manual was provided for review in June and that staff has made minor edits since that time, and was now asking for approval. P Mauney noted that he anticipated an annual process to revise the personnel manual moving forward in the future.

J Crozier moved to adopt the personnel policies as presented, 2nd by M Roby. The motion carried unanimously.

11. New Business

a) Authorization of FY 2024 Per Capita Dues Rate & Funding Requests

Chair Taylor asked introduced the FY 2024 per capita dues rate and funding request approval. She noted that the Commission adopts these at the August meeting to meet local government deadlines and that staff recommends no changes from the FY 2023 rate and requests. She stated that the rate has been held flat at \$0.83 for seven years and would suggest reviewing that over the next year. Commissioners noted that the population figures change bi-annually, but the rate has been stable.

D Donehey moved to authorize the FY 2024 per capita rate and funding requests, 2nd by J Crozier. The motion carried ayes all.

b) RRRC Electronic Meetings Policy Amendment

Chair Taylor presented item 12B and asked P Mauney to review the electronic meeting participation policy. P Mauney reported that the General Assembly passed legislation earlier this year relating to public bodies holding meetings by electronic means. Staff

had taken the new legislation and made proposed adjustments to the Commission's adopted Remote Electronic Participation Policy. P Mauney stated that the potential for all-virtual meetings could be useful for the Executive Committee and stated that all-virtual would likely be easier for staff to implement compared to hybrid meetings.

J Crozier moved to adopt the amended remote electronic participation policy, 2nd by T Voorhees. The motion carried unanimously.

c) VA250 Commission / Consideration of Regional Committee

Chair Taylor introduced item 12C related to the Virginia American 250th Commission. P Mauney shared that several jurisdictions reached out about the potential for a regional committee and that the regional tourism directors met earlier in the month and were supportive of such an approach, provided that each locality could also form its own committee as desired. P Mauney confirmed that this was allowable, and that staff was prepared to support a regional approach, with the relevant Resolution and documents included in the packet.

G Curry moved to adopt the Resolution in support of the VA250 Commission and to form a regional committee, 2nd by J Weakley. The motion carried unanimously.

d) On-Call General Planning Services Agreement

Chair Taylor asked P Mauney to review the on-call general planning services agreement request. P Mauney stated that the Commission has several regional planning projects upcoming and that current workload would likely limit the ability of staff to complete all of them. He presented an option to execute an agreement with the Berkley Group for on-call planning support services which could be utilized in cases where cost or timing constraints are applicable, but would not preclude the Commission from utilizing traditional procurement methods.

J Weakley moved to approve staff to execute an on-call general planning services agreement with the Berkley Group, 2nd by R Coiner. The motion carried unanimously.

12. Closed Session

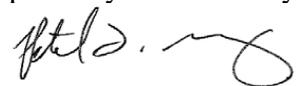
13. Regional Roundtable

Commission members shared information of note from their communities.

14. Adjournment

Upon motion by D Donehey, 2nd by T Voorhees, Chair Taylor adjourned the meeting at 3:01 p.m.

Respectfully Submitted by:



Patrick L. Mauney
Secretary & Executive Director



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 5, 2022
Subject: FY 2022 RRRC Audit Report Draft

The FY 2022 Financial Audit for the Regional Commission is attached here for your review. Staff will provide an overview of the audit at the December 14th meeting, and requests approval of the audit to ensure that we can submit to various funding agencies in compliance with existing contracts.

REQUESTED ACTION: Staff recommends adoption of the Audit as presented.

RAPPAHANNOCK-RAPIDAN
REGIONAL COMMISSION

AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

DRAFT

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION COMMISSIONERS

As of June 30, 2022

Culpeper County

Mr. Gary Deal
Mr. John Egertson

Town of Culpeper

Mr. Chris Hively
Ms. Meaghan Taylor, Commission Chair

Fauquier County

Mr. Christopher T. Butler
Mr. Paul S. McCulla, Commission Vice-Chair

Town of Warrenton

Ms. Brandie Schaeffer
Mr. William T. Semple II

Town of Remington

Mr. Evan H. "Skeet" Ashby, III

Town of The Plains

Ms. Lori B. Sisson

Madison County

Mr. R. Clay Jackson
Mr. Jonathon Weakley

Town of Madison

Mr. William L. Lamar

Orange County

Mr. James P. "Jim" Crozier
Mr. Theodore Voorhees

Town of Orange

Ms. Martha B. Roby
Mr. Greg Woods, Commission Treasurer

Town of Gordonsville

Mr. Robert K. 'Bob' Coiner

Rappahannock County

Mr. Garrey W. Curry, Jr.
Ms. Debbie Donehey

Town of Washington

Mr. Fred Catlin

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Rappahannock-Rapidan Regional Commission
Culpeper, Virginia

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the 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 respective financial position of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of June 30, 2022 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these 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 aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 of the effectiveness of the 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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue and expenses-budget and actual (budgetary basis), the schedule of employer's share of net pension liability and related ratios, and the schedule of employer contributions on pages 4 through 8 and pages 33 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2022, on our consideration of the Rappahannock-Rapidan 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 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 Rappahannock-Rapidan Regional Commission's internal control over financial reporting and compliance.

Certified Public Accountants
Chantilly, Virginia

November XX, 2022

DRAFT

Management's Discussion and Analysis

As management of the Rappahannock-Rapidan Regional Commission we offer this narrative overview and analysis of the financial performance of the Commission's financial activities for the year ended June 30, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. Since the Commission is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) financial statements and 2) notes to the financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Commission's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

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

Notes to financial statements. The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition. The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior year.

Financial Highlights FY 2022

The financial position of the Rappahannock-Rapidan Regional Commission remains stable and positive, following a period between 2010 and 2015 that required annual utilization of reserve funds to balance revenues and expenditures. In FY 2017, the Commission made the determination to begin restoring reserve funds with a primary goal of achieving a balance of six months' operating expenses and secondary goal of addressing long-term debt liabilities. This stated strategy, along with successful grant applications for environmental, transportation, housing, and hazard mitigation projects have resulted in increases in net position in the past five fiscal years.

In FY 2022, the Commission continued its successful programmatic efforts in housing and homelessness leadership, transportation and mobility planning, tourism, environmental coordination, and regional coordination. Of particular note in FY 2022 are the continuation of Chesapeake Bay watershed planning, increased awards for the Commission’s Mobility Management program, award and initial development of the PDC Housing Development Program, introduction of a Farm to School Liaison program and continued support for the Commission’s role as Foothills Housing Network lead agency.

Financial Analysis

The following table reflects the condensed Statements of Net Position:

Summary Statements of Net Position		
June 30,		
	<u>2022</u>	<u>2021</u>
Current Assets	\$ 602,996	\$526,602
Capital Assets (net)	190,512	199,371
Net Pension Asset	<u>577,098</u>	<u>188,205</u>
Total Assets	<u>1,370,606</u>	<u>914,178</u>
Deferred Outflows of Resources	<u>14,631</u>	<u>61,892</u>
Current Liabilities	219,770	205,524
Long-term Liabilities	<u>123,898</u>	<u>144,316</u>
Total Liabilities	<u>343,668</u>	<u>349,840</u>
Deferred Inflows of Resources	<u>262,916</u>	<u>10,743</u>
Invested in capital assets, net of debt	49,038	38,425
Unrestricted	<u>729,615</u>	<u>577,062</u>
Total Net Position	<u>\$ 778,653</u>	<u>\$615,487</u>

The Commission’s total net position (which is the Commission’s bottom line) increased by \$163,166 during the year. It should be noted that \$89,459 of this increase was due to the current year GASB 68 adjustment and that current assets increased by \$76,394 during the year. The improvement in net position over the past five fiscal years also enables the Commission to better manage our cash flow and provide needed cash match for new grants including the PDC Housing Development Program, to ensure adequate staffing levels to support future needs of our member jurisdictions, and to maintain reserve funds for long-term liabilities, including the Commission-owned office building.

The following summarizes the revenues and expenses of the Commission:

	Changes in Net Position For the Years Ended June 30,	
	<u>2022</u>	<u>2021</u>
Operating revenues		
Grants	\$ 952,397	\$593,924
Dues	149,172	145,659
Other operating revenues	<u>68,564</u>	<u>252,130</u>
Total operating revenues	<u>1,170,133</u>	<u>991,713</u>
Non-operating revenues		
GASB 68 adjustment	89,459	(79,491)
Interest	698	302
Net loss on investments	<u>(3,611)</u>	<u>-</u>
Total non-operating revenues	<u>86,546</u>	<u>(79,189)</u>
Total revenues	<u>1,256,679</u>	<u>912,524</u>
Operating expenses		
Salaries and wages	481,998	405,865
Freedom grants	146,299	114,304
Fringe benefits	107,755	101,322
PATH Foundation mobility management	161,492	91,158
Rappahannock County CARES Act	-	90,000
Virginia Housing Development Authority	386	43,839
Town of Washington	19,000	36,631
Technology	10,315	10,240
Maintenance and repairs	6,213	6,276
Regional ride sharing	22,582	5,950
Regional tourism	5,582	4,394
Vanpool	2,318	862
VA Tourism Corporation	386	-
Other operating expenses	34,689	18,809
Other grant expenses	<u>70,509</u>	<u>1,792</u>
Total operating expenses	<u>1,069,524</u>	<u>931,442</u>
Depreciation	16,702	13,764
Interest paid on debt	<u>7,287</u>	<u>8,056</u>
Total expenses	<u>1,093,513</u>	<u>953,262</u>
Change in net position	163,166	(40,738)
Net position beginning of year	<u>615,487</u>	<u>656,225</u>
Net position end of year	<u>\$ 778,653</u>	<u>\$615,487</u>

Revenues

For the fiscal year ended June 30, 2022, total revenues increased by \$344,155 from the prior year. However, 89,459 of the increase in revenue was the result of the GASB 68 adjustment. Operating revenues increased \$178,420 from FY2021 to FY2022. The continuation of grants from the Department of Rail and Public Transportation in support of RRRC's Commuter Services and Mobility Management programs, the Rural Transportation Planning grant from the Virginia Department of Transportation, and Chesapeake Bay watershed planning from the Department of Environmental Quality are important for RRRC's ability to continue providing support for successful, long-term projects. Finally, RRRC's regional housing efforts were aided by successful grants from the Virginia Homeless Solutions Program, but also from funding allocated by member jurisdictions in support of a 0.5 Full-Time Equivalent housing position.

Expenses

For the fiscal year ended June 30, 2022, total expenses increased by \$140,251 from the prior year. Personnel costs such as health insurance and retirement were stable from FY 2021 to FY 2022, although salaries and wages – the largest expense for the Commission – increased by \$76,133 with a full staff for most of the fiscal year. Total expenses were lower than our total revenues before the GASB 68 adjustment.

Capital Assets

At the end of fiscal year 2022, the Commission had invested \$446,924 in capital assets which consisted of the office building, office furniture and equipment. This amount has been depreciated by \$256,412, for a carrying amount of \$190,512.

Long-Term Debt

On August 12, 2000 the Commission received loan proceeds in the amount of \$376,000 from the Department of Agriculture to finance construction of office facilities. The loan is due in monthly installments of \$1,993 through July 12, 2029. Interest on the loan is at 4.75%. The balance of this loan was \$141,474 as of June 30, 2022.

Economic Factors and Future Projects

The Commission receives a substantial amount of its support from local and state governments. The Commission was successful in beginning to restore its reserve fund balance in FY 2017 based on controlling expenses and continued success with state and federal grant applications. The Commission expects that revenues and expenses will be more closely balanced in future years. Operating expenses will generally remain at a level in proportion to the revenues.

Presently, management of the Commission is closely tracking local, state and federal revenue and program impacts post-pandemic and the potential impacts on the overall agency finances. The short-term outlook remains positive based on known funding awards. In addition, uncertainty at the federal and state level may cause some long-term changes, depending upon funding priorities and availability of grant funding. In particular, funding for housing, transit, mobility management, and environmental planning has been the subject of discussion at the state and federal levels during the past fiscal year. The Commission was able to address internal impacts related to COVID-19, including a shift to partial remote work, using existing funding sources.

The Commission is currently involved in numerous projects including but not limited to agricultural development, rural transportation planning, ridesharing, environmental planning, regional housing, economic development, community development planning, and regional tourism.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be directed to the Commission's Executive Director at 420 Southridge Parkway, Suite 106, Culpeper, VA 22701.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
Cash and investments	\$ 491,510
Accounts receivable	99,314
Prepaid expenses	12,172
Net pension asset	577,098
Capital assets, net	<u>190,512</u>
Total Assets	<u>1,370,606</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Changes of assumptions	<u>14,631</u>
Total Deferred Outflows of Resources	<u>14,631</u>
 LIABILITIES	
Accounts payable	26,233
Accrued liabilities	16,536
Accrued annual leave	41,275
Deferred revenue	118,150
Rural Development loan payable	<u>141,474</u>
Total Liabilities	<u>343,668</u>
 DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual experience	54,842
Net difference between projected and actual earnings on plan investments	<u>208,074</u>
Total Deferred Inflows of Resources	<u>262,916</u>
 NET POSITION	
Investment in capital assets, net of related debt	49,038
Unrestricted	<u>729,615</u>
Total Net Position	<u><u>\$ 778,653</u></u>

DRAFT

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues:	
AARP	\$ 25,000
DEQ Chesapeake Bay PDC capacity	46,182
Dues	149,172
Farm to School grant	30,000
Freedom grant - mobility	121,819
Freedom grant - operating	69,512
National Fish and Wildlife Foundation	14,412
No Kid Hungry	25,000
Redistricting	6,060
Rideshare program	108,375
Rural transportation program	58,050
Rural transportation assistance program scholarship	5,338
RTC	173,951
State regional planning grant	89,971
Town of Washington	19,000
Virginia Department of Emergency Management	6,961
Virginia homeless solution program	91,250
Virginia Housing Development Authority	61,516
Other Income	
Regional housing	48,605
Regional tourism	7,595
VTCW	6,750
Miscellaneous	5,614
	1,170,133
Total Operating Revenues	1,170,133

Operating Expenses:	
AARP	25,000
Advertising	588
Annual meeting	4,727
Audit	4,100
DEQ Chesapeake Bay PDC capacity	336
Equipment	3,855
Farm to School	2,622
Freedom grant - mobility	109,389
Freedom grant - operating	36,910
Insurance health	62,966
Insurance liability	1,368
Insurance workers' compensation	500
Maintenance and repairs	6,213
Membership dues	4,425

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating Expenses (Continued):

Miscellaneous	\$ 835
PATH Foundation mobility management	161,492
National Fish and Wildlife Foundation	21,817
Northern Piedmont Community Foundation	5,000
Payroll taxes	34,272
Postage	293
Printing	929
Redistricting	3,683
Regional tourism	5,582
Retirement	10,517
Rideshare	22,582
RTAP expense	5,338
Rural transportation planning	183
Salary	481,998
Subscriptions and publications	463
Supplies	2,870
Technology	10,315
Town of Washington	19,000
Travel	5,896
Utilities	4,226
Vanpool expense	2,318
Virginia Housing Development Authority	386
VTCW	6,530
Total Operating Expenses	1,069,524
Operating Gain	100,609
Nonoperating Income (Expense)	
GASB 68 actuarial adjustment	89,459
Interest income	698
Net loss on investments	(3,611)
Depreciation	(16,702)
Interest expense	(7,287)
Total Nonoperating Income (Expense)	62,557
Change in Net Position	163,166
Net Position at beginning of year	615,487
Net Position at end of year	\$ 778,653

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 1,120,572
Payments to suppliers	(587,713)
Payments to employees	(474,681)
Net Cash Provided by Operating Activities	58,178
Cash Flows from Capital and Related Financing Activities:	
Principal payments on debt	(19,472)
Interest payments on debt	(7,287)
Net Cash Used in Capital and Related Financing Activities	(26,759)
Cash Flows from Investing Activities	
Purchases of new equipment	(7,843)
Interest earned	698
Net Cash Used in Investing Activities	(7,145)
Net Change in Cash and Cash Equivalents	24,274
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	467,236
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 491,510
Reconciliation of Operating Gain	
to Net Cash Provided by Operating Activities	
Operating Gain	\$ 100,609
Adjustments to Reconcile Operating Gain	
to Net Cash Provided by Operating Activities:	
Loss on investments	(3,611)
Changes in current assets and liabilities:	
Decrease in accounts receivable	(50,609)
Increase in prepaid expenses	(1,511)
Decrease in accounts payable	4,935
Increase in accrued liabilities	1,015
Increase in accrued annual leave	6,302
Increase in deferred revenue	1,048
Net Cash Provided by Operating Activities	\$ 58,178

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of the Rappahannock-Rapidan Regional Commission conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Government Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. The Financial Reporting Entity

The Rappahannock-Rapidan Regional Commission was chartered in 1971. The Commission includes the Counties of Culpeper, Fauquier, Madison, Orange and Rappahannock and the towns of Remington, Warrenton, Culpeper, Orange, Madison, Gordonsville, Washington and The Plains. Regional Commissions achieved their being and legal status by the Virginia Area Development Act, passed by the General Assembly on March 13, 1968. The Act was an amendment of Chapters 34 and 35 of the *Code of Virginia* and provided the State with a uniform set of sub-state administrative boundaries and local government the authority to create planning and/or service district commissions, all in an effort to improve state and local relations which would enable government to be more responsive to the needs of its people.

B. Financial Statement Presentation

Management's Discussion and Analysis – GASB Statement #34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Enterprise Fund Financial Statements:

The Statement of Net Position is designed to display the financial position of the Commission. Governments will report all capital assets and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Revenues, Expenses and Changes in Net Position. The net position of the government is broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unassigned.

C. Basis of Accounting

The accounting and reporting policies of the Commission relating to the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

D. Budgets and Budgetary Accounting

A budget is prepared for information and fiscal planning purposes. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses. The budget is prepared on the same basis of accounting as the actual financial statements are prepared except for depreciation and capital asset purchases are expensed.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

E. Capital Assets

Property, plant and equipment purchased is stated at cost or estimated cost for all items with an initial cost exceeding \$1,000. Donated property is recorded at fair market value prevailing at the date of donation. Depreciation for capital asset has been provided for over the following estimated useful lives using the straight-line method:

Equipment	3-12 years
Buildings	39 years

Activity of the capital assets for the Commission for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Office furniture and equipment	\$ 48,973	\$ 7,843	\$ -	\$ 56,816
Buildings and improvements	390,108	-	-	390,108
Less:				
Accumulated Depreciation	(239,710)	(16,702)	-	(256,412)
Net capital assets	<u>\$199,371</u>	<u>\$ (8,859)</u>	<u>\$ -</u>	<u>\$ 190,512</u>

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Accounts Receivable

Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2022, and no allowance for doubtful accounts has been provided.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

I. Deferred Outflows/Inflows of Resources

The Commission reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. The Commission has one item that qualifies for reporting in this category. Per the actuarial report prepared as of June 30, 2021, the change in assumptions was \$14,631.

The Commission reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. The Commission has two items that qualify for reporting in this category. Per the actuarial report prepared as of June 30, 2021, the difference between expected and actual experience was \$54,842 and the net difference between projected and actual earnings on plan investments was \$208,074.

J. Pension

For purposes of measuring the net pension liability, 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 additions to/deductions from the Commission's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by 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.

K. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted, as they are needed.

L. Advertising Costs

Advertising costs are expensed as incurred.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2 - Cash and Investments

State statute authorizes the Commission to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Cash and cash equivalents include amounts in demand deposits as well as short-term, highly liquid investments with a maturity date within three months of the date acquired by the Commission. Deposits are carried at cost, which approximates fair value. At year end, the carrying value of the Commission’s bank account balances was \$139,374, and the bank balances totaled \$139,928.

There is no custodial credit risk to these accounts, as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FSLIC limits. The State Treasury Board is responsible for monitoring compliance by banks and savings and loans. Accordingly, there is no custodial risk for either of the accounts as they are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted daily.

The Commission is a participant in the Virginia Investment Pool, a jointly-administered investment pool. Jointly-administered investment pools, such as VIP, are allowable investment as identified in the Investment of Public Funds Act. Participants own and control VIP, which is a governmental trust under Section 115 of the Internal Revenue Code. Public Trust Advisors, LLC (PTA) serves as Investment Manager. PTA is a Securities and Exchange Commission registered, independent investment advisor with significant local government investment pool experience. PTA manages more than \$30 billion in public funds nationwide. Wells Fargo Bank is VIP’s custodian bank.

The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. At June 30, 2022 the Commission’s balance in the investment pool was \$352,136 and included the follow investments:

VIP Liquidity Pool Account	\$247,946
VIP Long Term Bond Fund	104,190

NOTE 3 – Rural Development Loan

The Commission received loan proceeds in the amount of \$376,000 from the Department of Agriculture on August 12, 2000. The loan is secured by the Commission’s real estate and due in monthly installments of \$1,993 including interest of 4.75% through July 12, 2029.

Current year debt activity was as follows:

Beginning Balance	Increases	Decreases	Ending Balance
<u>\$160,946</u>	<u>\$ -</u>	<u>\$ 19,472</u>	<u>\$141,474</u>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 – Rural Development Loan (continued)

Mandatory debt service requirements consist of the following:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 17,576	\$ 6,340
2024	18,430	5,486
2025	19,325	4,591
2026	20,262	3,654
2027	21,246	2,670
2028-2029	<u>44,635</u>	<u>2,195</u>
Total	<u>\$ 141,474</u>	<u>\$ 24,936</u>

NOTE 4 – Defined Benefit Pension Plan

Pensions

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

Plan Description

All full-time, salaried permanent (professional) employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014 <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.</p>	<p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages</p>
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <u>Defined Contributions Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution not required, except as governed by law.</p>
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Average Final Compensation A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member’s average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non- hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivision hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 50 with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><u>Eligibility:</u> Same as Plan 1</p>	<p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>
<p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1</p>	<p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work- related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p><u>Defined Contribution Component:</u> Not applicable.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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:

	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	5
Inactive Members	
Vested inactive members	4
Non-vested inactive members	7
LTD	-
Active members active elsewhere in VRS	<u>5</u>
Total Inactive Members	16
Active Members	<u>7</u>
Total covered employees	<u>28</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 .66% 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 employee during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the Commission was \$-0- and \$-0- for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The net pension liability (NPL) 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 the Commission, the net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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:

Largest 10 - Non-Hazardous Duty: 20% 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

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

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020, valuation were based on 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:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	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	<u>3.00%</u>	6.84%	<u>0.21%</u>
Total	<u>100.00%</u>		<u>4.89%</u>
	Inflation		2.50%
	* Expected arithmetic nominal return		<u>7.39%</u>

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The 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 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions;

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY2012 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 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.

Change in the Net Pension Liability (Asset):

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2020	\$1,333,889	\$1,522,094	\$(188,205)
Changes for the year:			
Service cost	27,948		27,948
Interest	88,915		88,915
Changes of assumption	29,263		29,263
Difference between expected and actual experience	(102,335)		(102,335)
Contributions – employer		(86)	86
Contributions – employee		16,348	(16,348)
Net investment income		417,410	(417,410)
Benefit payments, including refunds of employee contributions	(33,245)	(33,245)	-
Administrative expense		(1,027)	1,027
Other changes	-	39	(39)
Net changes	10,546	399,439	(388,893)
Balances at June 30, 2021	\$1,344,435	\$1,921,533	\$(577,098)

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

The following presents the net pension liability of the Commission using the discount rate of 6.75%, as well as what the Commission’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Commission’s Net Pension Liability (Asset)	\$(381,927)	\$(577,098)	\$(734,009)

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2022, the Commission recognized pension income of \$89,459. 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 actual and expected experience	\$ -	\$54,842
Changes of assumptions	14,631	-
Net difference between projected and actual earnings on plan investments	-	208,074
Employer contributions subsequent to the Measurement Date	-	-
Total	<u>\$14,631</u>	<u>\$262,916</u>

There were no deferred outflows of resources related to pensions resulting from Commission’s contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future reporting periods as follows:

Year ending June 30,	
2023	\$(89,044)
2024	(47,709)
2025	(48,476)
2026	(63,056)
2027	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (CAFR). A copy of the 2021 VRS CAFR may be downloaded from the VRS website at 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 5 – Commitments and Contingencies

The Commission receives a substantial amount of its support from local and state governments. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the Commission’s programs and activities.

NOTE 6 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November XX, 2022, the date which the financial statements were available to be issued.

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

To the Board of Commissioners
Rappahannock-Rapidan Regional Commission
Culpeper, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Rappahannock-Rapidan Regional Commission’s basic financial statements, and have issued our report thereon dated November XX, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements we considered Rappahannock-Rapidan Regional Commission’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in 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 the Rappahannock-Rapidan Regional Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of Rappahannock-Rapidan 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rappahannock-Rapidan 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.

Certified Public Accountants
Chantilly, Virginia

November XX, 2022

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET
AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance Favorable (Unfavorable)
Operating Revenues:				
AARP	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
DEQ Chesapeake Bay PDC capacity	58,000	58,000	58,000	-
Dues	149,172	149,172	149,172	-
Farm to School grant	30,000	30,000	-	(30,000)
Freedom grant-mobility	244,765	174,765	118,488	(56,277)
Freedom grant-operating	-	-	43,628	43,628
National Fish and Wildlife Foundation	200,000	18,000	17,890	(110)
No Kid Hungry	25,000	25,000	-	(25,000)
PATH Foundation mobility management	150,000	197,500	-	(197,500)
Redistricting	-	4,500	6,060	1,560
Regional housing	48,604	48,604	48,605	1
Regional tourism	7,500	7,500	7,595	95
Rideshare program	133,265	113,265	96,125	(17,140)
Rural transportation program	58,000	58,000	57,081	(919)
Rural transportation assistance program scholarship	-	5,338	5,338	-
RTC	-	-	208,499	208,499
State regional planning grant	89,971	89,971	89,971	-
Town of Washington	-	19,000	19,000	-
Virginia Department of Emergency Management	12,826	12,826	-	(12,826)
Virginia homeless solution program	84,500	84,500	91,250	6,750
Virginia Housing Development Authority	60,000	66,500	66,506	6
VTCW	-	6,750	6,750	-
Other Income	1,000	1,000	5,614	4,614
Total Operating Revenues	1,377,603	1,195,191	1,120,572	(74,619)

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Operating Expenses:				
AARP	25,000	25,000	25,000	-
Advertising	1,000	1,000	588	412
Annual meeting	5,000	5,000	4,727	273
Audit	5,000	5,000	4,100	900
DEQ Chesapeake Bay PDC capacity	1,000	1,000	336	664
Equipment and software	10,000	10,000	10,386	(386)
Farm to School grant	-	3,000	2,622	378
Freedom grant-mobility	340,000	317,500	103,725	213,775
Freedom grant-operating	-	-	36,910	(36,910)
Insurance health	75,000	75,000	62,924	12,076
Insurance liability	1,350	1,350	1,368	(18)
Insurance workers' compensation	500	500	500	-
Maintenance and repairs	10,000	10,000	6,213	3,787
Membership dues	4,500	4,500	4,425	75

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET
AND ACTUAL (BUDGETARY BASIS) (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance Favorable (Unfavorable)
Operating Expenses (Continued):				
Miscellaneous	\$ 500	\$ 500	\$ 835	\$ (335)
PATH Foundation mobility management		-	163,043	(163,043)
National Fish and Wildlife Foundation	185,000	185,000	11,817	173,183
Northern Piedmont Community Foundation	-	-	5,000	(5,000)
Payroll taxes	36,720	36,720	34,272	2,448
Postage	500	500	293	207
Printing	3,000	3,000	929	2,071
Redistricting	-	3,750	3,683	67
Regional tourism	12,800	12,800	5,582	7,218
Retirement	20,000	20,000	10,517	9,483
Rideshare	52,565	27,565	24,184	3,381
RTAP expense	-	5,338	5,338	-
Rural transportation planning	1,000	1,000	183	817
Salary	480,000	480,000	474,682	5,318
Subscriptions and publications	500	500	463	37
Supplies	4,500	4,500	2,870	1,630
Technology	10,000	10,000	10,315	(315)
Town of Washington	-	19,000	19,000	-
Travel, training and meals	12,500	12,500	5,896	6,604
Utilities	6,500	6,500	4,226	2,274
Vanpool expense		-	2,318	(2,318)
Virginia Housing Development Authority	-	1,000	386	614
VTCW	-	6,530	6,530	-
Virginia homeless solution program expense	3,000	3,000	-	3,000
Total Operating Expenses	<u>1,307,435</u>	<u>1,298,553</u>	<u>1,056,186</u>	<u>242,367</u>
 Operating Gain / (Loss)	 70,168	 (103,362)	 64,386	 167,748
 Nonoperating Income (Expense)				
GASB 68 adjustment	-	-	89,459	89,459
Interest income	300	300	698	398
Interest expense	(23,916)	(23,916)	(23,916)	-
Total Nonoperating Income (Expense)	<u>(23,616)</u>	<u>(23,616)</u>	<u>62,630</u>	<u>86,246</u>
 Net Gain / (Loss)	 <u>\$ 46,552</u>	 <u>\$ (126,978)</u>	 <u>\$ 127,016</u>	 <u>\$ 253,994</u>

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - BUDGETARY BASIS
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2022**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 1,120,572
Collection of receivables accrued as of June 30, 2021 are revenue for budgetary purposes but not for GAAP purposes.	(48,705)
Deferred grant revenue as of June 30, 2021	117,102
Receivables accrued as of June 30, 2022 are revenue for GAAP purposes but not for budgetary purposes.	99,314
Deferred grant revenue as of June 30, 2022	<u>(118,150)</u>

Total operating revenue as reported on the statement of revenues, expenses and changes in net position.	<u><u>\$ 1,170,133</u></u>
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Uses/outflows of resources

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 1,056,186
Payments of accounts payable recorded as of June 30, 2021 are expenditures for budgetary purposes but not for GAAP purposes.	(58,355)
Purchases of equipment for the year ended June 30, 2022.	(7,843)
Prepaid expenses recorded as of June 30, 2022, are expenditures for budgetary purposes but not for GAAP purposes.	(12,172)
Prepaid expenses recorded as of June 30, 2021, are expenses for GAAP purposes but not for budgetary purposes.	10,661
Payables accrued as of June 30, 2022 are expenses for GAAP purposes but not for budgetary purposes.	<u>81,047</u>

Total operating expenses as reported on the statement of revenues, expenses and changes in net position.	<u><u>\$ 1,069,524</u></u>
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See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY
AND RELATED RATIOS

For the Plan Years Ended June 30,

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability								
Service cost	\$ 27,948	\$ 30,177	\$ 24,314	\$ 34,100	\$ 34,046	\$ 46,439	\$ 45,136	\$ 44,023
Interest on total pension liability	88,915	85,324	77,006	60,863	76,384	67,864	60,928	54,411
Changes in assumptions	29,263	-	40,094	-	(29,189)	-	-	-
Differences between expected and actual experience	(102,335)	(17,811)	62,456	159,504	(279,643)	22,652	(589)	-
Benefit payments, including refunds of employee contributions	(33,245)	(55,712)	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Net change in total pension liability	10,546	41,978	179,791	230,837	(221,440)	129,528	100,105	93,141
Total pension liability - beginning	1,333,889	1,291,911	1,112,120	881,283	1,102,723	973,195	873,090	779,949
Total pension liability - ending (a)	<u>\$1,344,435</u>	<u>\$1,333,889</u>	<u>\$1,291,911</u>	<u>\$1,112,120</u>	<u>\$ 881,283</u>	<u>\$1,102,723</u>	<u>\$ 973,195</u>	<u>\$ 873,090</u>
Plan fiduciary net position								
Contributions - employer	\$ (86)	\$ 859	\$ 460	\$ 20,150	\$ 16,670	\$ 20,601	\$ 21,713	\$ 24,294
Contributions - employee	16,348	16,152	16,746	17,480	14,694	16,585	17,468	17,147
Net investment income	417,410	29,215	96,946	99,250	145,211	22,505	49,158	140,644
Benefit payments, including refunds of employee contributions	(33,245)	(55,712)	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Administrative expense	(1,027)	(1,015)	(942)	(829)	(815)	(2,049)	(630)	(720)
Other	39	(34)	(61)	(90)	(130)	(5)	(11)	7
Net change in plan fiduciary net position	399,439	(10,535)	89,070	112,331	152,592	50,210	82,328	176,079
Plan fiduciary net position - beginning	1,522,094	1,532,629	1,443,559	1,331,228	1,178,636	1,128,426	1,046,098	870,019
Plan fiduciary net position - ending (b)	<u>\$1,921,533</u>	<u>\$1,522,094</u>	<u>\$1,532,629</u>	<u>\$1,443,559</u>	<u>\$1,331,228</u>	<u>\$1,178,636</u>	<u>\$1,128,426</u>	<u>\$1,046,098</u>
Commission's net pension asset - ending (a)-(b)	<u>\$ (577,098)</u>	<u>\$ (188,205)</u>	<u>\$ (240,718)</u>	<u>\$ (331,439)</u>	<u>\$ (449,945)</u>	<u>\$ (75,913)</u>	<u>\$ (155,231)</u>	<u>\$ (173,008)</u>
Plan fiduciary net position as a percentage of the total Pension liability	142.92%	114.11%	118.63%	129.80%	151.06%	106.88%	115.95%	119.82%
Covered-employee payroll	\$ 373,096	\$ 353,395	\$ 371,297	\$ 317,184	\$ 367,005	\$ 268,691	\$ 351,496	\$ 342,940
Commission's net pension liability as percentage of covered-employee payroll	-154.68%	-53.26%	-64.83%	-104.49%	-122.60%	-28.25%	-44.16%	-50.45%

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH 2022**

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Date	Contractually Required Contributions (1)	Contributions in Relation to Contractually Required Contributions (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)	Required Contribution Rate
2022	\$ 3,181	\$ -	\$ 3,181	\$ 481,998	0.00%	0.66%
2021	2,462	-	2,462	373,096	-	0
2020	1,908	1,248	660	353,395	0.35%	0.54%
2019	2,005	1,368	637	371,297	0.37%	0.54%
2018	9,198	20,245	(11,047)	317,184	6.38%	2.90%
2017	10,643	16,670	(6,027)	367,005	4.54%	2.90%
2016	16,766	20,601	(3,835)	268,691	7.67%	6.24%
2015	21,933	21,713	220	351,496	6.18%	6.24%
2014	24,383	24,294	89	342,940	7.08%	7.11%
2013	24,383	28,323	(3,940)	342,940	8.26%	7.11%

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2022

NOTE 1 – Change of Benefit Terms

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

NOTE 2 – Changes of Assumptions

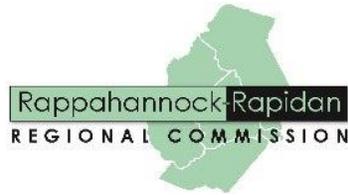
The actuarial assumptions used in the June 30, 2020, valuation were based on results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial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

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 7, 2022
Subject: FY 2023 Year-to-Date Revenues & Expenditures

FY 2023 Revenue and Expenditure reports through November 30, 2022 are enclosed for your review. These are unaudited reports for the first five months (42%) of the fiscal year.

Revenues are 35.5% of budget. Most of our annual grant sources are tracking with budget as projected and reimbursements are processing as anticipated. Larger project revenue sources, including the PDC Housing Development program and National Fish and Wildlife Foundation grant are expected to see revenues in the second half of the fiscal year.

Expenditures are 25.9% of budget through November and remain in line with expectations. Operating expenses are at 39.4% of budget, while project expenses are 17.9% of budget.

I anticipate presenting budget amendments for consideration in February.

REQUESTED ACTION: None required.

**Rappahannock-Rapidan Regional Commission
FY 2023 Revenue Snapshot - November 30, 2022**

Budget Items	FY 2023 Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
Revenues										
Dues:										
Culpeper County	\$ 26,967.00		\$ 26,967.00		\$ 26,966.92				\$ 26,966.92	100.0%
Fauquier County	\$ 51,497.00		\$ 51,497.00		\$ 25,748.26				\$ 25,748.26	50.0%
Madison County	\$ 11,315.00		\$ 11,315.00	\$ 11,314.56					\$ 11,314.56	100.0%
Orange County	\$ 24,877.00		\$ 24,877.00			\$ 24,876.76			\$ 24,876.76	100.0%
Rappahannock County	\$ 6,027.00		\$ 6,027.00	\$ 6,027.46					\$ 6,027.46	100.0%
Town of Culpeper	\$ 16,651.00		\$ 16,651.00	\$ 16,651.46					\$ 16,651.46	100.0%
Town of Gordonsville	\$ 1,164.00		\$ 1,164.00	\$ 1,163.66					\$ 1,163.66	100.0%
Town of Madison	\$ 170.00		\$ 170.00	\$ 170.15					\$ 170.15	100.1%
Town of Orange	\$ 4,050.00		\$ 4,050.00		\$ 4,050.40				\$ 4,050.40	100.0%
Town of The Plains	\$ 203.00		\$ 203.00	\$ 203.35					\$ 203.35	100.2%
Town of Remington	\$ 520.00		\$ 520.00			\$ 519.58			\$ 519.58	99.9%
Town of Warrenton	\$ 8,347.00		\$ 8,347.00		\$ 8,347.31				\$ 8,347.31	100.0%
Town of Washington	\$ 71.00		\$ 71.00	\$ 71.38					\$ 71.38	100.5%
Interest Income	\$ 500.00		\$ 500.00	\$ 358.69	\$ 482.59	\$ 546.04	\$ 699.63	\$ 1,159.60	\$ 3,246.55	649.3%
Other Income	\$ 1,000.00		\$ 1,000.00	\$ 100.00	\$ 4.21	\$ -	\$ 200.00	\$ 100.00	\$ 404.21	40.4%
DEQ Chesapeake Bay PDC Capacity	\$ 58,000.00		\$ 58,000.00						\$ -	0.0%
DRPT Commuter Assistance Program	\$ 123,160.00		\$ 123,160.00	\$ 19,366.00	\$ 8,374.00		\$ 9,280.00	\$ 16,391.00	\$ 53,411.00	43.4%
DRPT Mobility Management	\$ 400,000.00		\$ 400,000.00	\$ 25,031.00	\$ 21,077.00	\$ 16,950.00	\$ 23,668.00	\$ 43,881.74	\$ 130,607.74	32.7%
DRPT Technical Assistance Grant	\$ 20,000.00		\$ 20,000.00						\$ -	0.0%
NFWF Chesapeake Bay Grant	\$ 250,000.00		\$ 250,000.00					\$ 27,064.52	\$ 27,064.52	10.8%
PATH Farm to School	\$ 40,000.00		\$ 40,000.00	\$ 30,000.00					\$ 30,000.00	75.0%
PATH Mobility Management/Transportation	\$ 190,000.00		\$ 190,000.00	\$ 1,500.00		\$ 210,000.00			\$ 211,500.00	111.3%
Regional Housing	\$ 48,604.00		\$ 48,604.00	\$ 13,778.52	\$ 19,100.76	\$ 8,675.50			\$ 41,554.78	85.5%
Regional Tourism	\$ 7,600.00		\$ 7,600.00		\$ 5,600.00	\$ 454.60	\$ 1,400.00		\$ 7,454.60	98.1%
RTAP Grant		\$ 1,800.00	\$ 1,800.00						\$ -	0.0%
Rural Transportation Planning	\$ 58,000.00		\$ 58,000.00		\$ 16,195.38			\$ 6,119.14	\$ 22,314.52	38.5%
State Regional Planning	\$ 89,971.00		\$ 89,971.00				\$ 44,985.00		\$ 44,985.00	50.0%
VDEM Wildfire Analysis Grant	\$ 2,000.00		\$ 2,000.00		\$ 10,518.61			\$ 1,601.39	\$ 12,120.00	606.0%
VDEM Hazard Mitigation Plan	\$ 50,000.00		\$ 50,000.00						\$ -	0.0%
Virginia Housing PDC Development Program	\$ 500,000.00		\$ 500,000.00			\$ 15,009.90			\$ 15,009.90	3.0%
VHSP Grant	\$ 90,000.00		\$ 90,000.00			\$ 13,826.46			\$ 13,826.46	15.4%
Total Revenue	\$ 2,080,694.00	\$ 1,800.00	\$ 2,082,494.00	\$ 125,736.23	\$ 146,465.44	\$ 290,858.84	\$ 80,232.63	\$ 96,317.39	\$ 739,610.53	35.5%

Rappahannock-Rapidan Regional Commission
FY 2023 Expenditure Snapshot - November 30, 2022

Budget Items	FY 2023 Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
Expenditures										
Advertising	\$ 750.00		\$ 750.00			\$ 161.21	\$ 3.79		\$ 165.00	22.0%
Annual Meeting/Workshops/Meetings	\$ 5,000.00		\$ 5,000.00			\$ 534.87	\$ 5,790.83	\$ (710.00)	\$ 5,615.70	112.3%
Audit/Legal	\$ 6,000.00		\$ 6,000.00						\$ -	0.0%
Equipment/Software	\$ 12,000.00		\$ 12,000.00	\$ 314.97	\$ 40.74	\$ 5,404.55	\$ 14.99	\$ 416.79	\$ 6,192.04	51.6%
FICA	\$ 40,550.00		\$ 40,550.00	\$ 2,578.38	\$ 2,680.93	\$ 4,365.29	\$ 2,999.56	\$ 2,979.02	\$ 15,603.18	38.5%
Health & Dental	\$ 80,000.00		\$ 80,000.00	\$ 5,341.84	\$ 5,341.84	\$ 5,341.84	\$ 5,341.84	\$ 5,341.84	\$ 26,709.20	33.4%
Meals	\$ 2,500.00		\$ 2,500.00	\$ 49.94	\$ 61.71			\$ 13.35	\$ 125.00	5.0%
Membership Dues	\$ 6,000.00		\$ 6,000.00		\$ 3,800.00	\$ 236.25			\$ 4,036.25	67.3%
Miscellaneous	\$ 500.00		\$ 500.00	\$ 51.80	\$ 210.65	\$ (61.55)	\$ (44.24)	\$ 568.52	\$ 725.18	145.0%
Mortgage	\$ 23,916.00		\$ 23,916.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 9,965.00	41.7%
Office & P.O. Liability Insurance	\$ 1,400.00		\$ 1,400.00	\$ 1,440.00					\$ 1,440.00	102.9%
Office Maintenance	\$ 14,000.00		\$ 14,000.00	\$ 691.40	\$ 1,364.96		\$ 956.40	\$ 200.00	\$ 3,212.76	22.9%
Payroll Expenses	\$ 530,078.00		\$ 530,078.00	\$ 35,539.29	\$ 36,879.82	\$ 58,837.92	\$ 41,042.56	\$ 40,774.23	\$ 213,073.82	40.2%
Postage	\$ 500.00		\$ 500.00		\$ 9.45		\$ 60.00	\$ 13.16	\$ 82.61	16.5%
Printing	\$ 3,000.00		\$ 3,000.00	\$ 149.84	\$ 173.25	\$ 178.30	\$ 175.52	\$ 356.44	\$ 1,033.35	34.4%
Reserve	\$ -		\$ -						\$ -	0.0%
Subscriptions and Books	\$ 500.00		\$ 500.00	\$ 18.00	\$ 16.00	\$ 16.00	\$ 74.99	\$ 45.00	\$ 169.99	34.0%
Supplies	\$ 4,500.00		\$ 4,500.00	\$ 54.74	\$ 260.56	\$ 99.25	\$ 96.13	\$ 434.98	\$ 945.66	21.0%
Technology	\$ 13,000.00		\$ 13,000.00	\$ 2,962.54	\$ 762.54	\$ 826.54	\$ 765.89	\$ 701.66	\$ 6,019.17	46.3%
Travel & Training	\$ 11,000.00		\$ 11,000.00	\$ 1,441.23	\$ 395.17	\$ 407.56	\$ 869.19	\$ 616.13	\$ 3,729.28	33.9%
Utilities	\$ 6,500.00		\$ 6,500.00	\$ 305.20	\$ 355.67	\$ 382.59	\$ 311.58	\$ 169.93	\$ 1,524.97	23.5%
VRS	\$ 16,000.00		\$ 16,000.00	\$ 956.75	\$ 956.76	\$ 1,016.75	\$ 1,225.77	\$ 1,166.13	\$ 5,322.16	33.3%
Workman's Comp	\$ 500.00		\$ 500.00	\$ 500.00					\$ 500.00	100.0%
AmeriCorps VISTA Match Expense	\$ 6,500.00		\$ 6,500.00			\$ 6,500.00			\$ 6,500.00	100.0%
Chesapeake Bay PDC Capacity Expenses	\$ 1,000.00		\$ 1,000.00						\$ -	0.0%
Commuter Services Expenses	\$ 60,000.00		\$ 60,000.00	\$ 258.73	\$ 152.31	\$ 2,928.32	\$ 578.68	\$ 827.26	\$ 4,745.30	7.9%
Farm to School Expenses	\$ 3,000.00		\$ 3,000.00	\$ 293.79	\$ 131.51	\$ 375.50	\$ 282.06	\$ 371.69	\$ 1,454.55	48.5%
Hazard Mitigation Expenses	\$ 45,000.00		\$ 45,000.00						\$ -	0.0%
Mobility Management Expenses	\$ 488,000.00		\$ 488,000.00	\$ 15,403.42	\$ 36,944.85	\$ 29,293.27	\$ 44,850.08	\$ 73,172.57	\$ 199,664.19	40.9%
NFWF Grant Expenses	\$ 240,000.00		\$ 240,000.00	\$ 10,000.00				\$ 5,505.00	\$ 15,505.00	6.5%
Regional Tourism Expenses	\$ 10,000.00		\$ 10,000.00	\$ 200.18	\$ 90.04	\$ 4.99	\$ 1,856.49	\$ 19.98	\$ 2,171.68	21.7%
RTAP Expenses		\$ 1,800.00	\$ 1,800.00				\$ 1,800.00		\$ 1,800.00	100.0%
Rural Transportation Expenses	\$ 1,000.00		\$ 1,000.00	\$ 33.94					\$ 33.94	3.4%
Virginia Housing PDC Development Program Exper	\$ 445,000.00		\$ 445,000.00		\$ 667.50			\$ 34.38	\$ 701.88	0.2%
VHSP Expenses	\$ 3,000.00		\$ 3,000.00	\$ 14.95	\$ 14.95	\$ 695.55	\$ 252.59	\$ 14.95	\$ 992.99	33.1%
Total Expenditures	\$ 2,080,694.00	\$ 1,800.00	\$ 2,082,494.00	\$ 80,593.93	\$ 93,304.21	\$ 119,538.00	\$ 111,297.70	\$ 135,026.01	\$ 539,759.85	25.9%

Executive Director's Report December 7, 2022



The purpose of this monthly report is to provide members of the Regional Commission with a summary report of work plan-related activities, staff attendance and participation at local/regional/statewide meetings, and updates on initiatives impacting the Regional Commission and our localities.

Administration:

- My thanks again to staff and Commissioners for their support at, and leading up to, the Annual Meeting in October. It was a very nice event in a great facility and I was very pleased that both Leadership Award honorees – Chief Chris Jenkins and Hal Hunter - were able to attend!
- RRRC is now fully staffed with the addition of Lindsey Morris as Rideshare & Outreach Specialist earlier this month. Lindsey will have primary responsibility for the RRRC Commuter Services program and will also provide broad outreach for all of RRRC's various programs throughout the year. Welcome Lindsey!

Homelessness & Regional Housing

- Rebecca Wareham, De Anderson, Monica Creel, Matt Tobias and I have devoted significant time to supporting discussions regarding regional emergency shelter needs, including prioritizing vulnerable community members for the Culpeper Winter Heat Shelter and encouraging partner agencies on immediate and longer-term solutions. We continue to see increased calls from homeless or unsheltered households to Coordinated Entry, but are now anticipating a return to pre-pandemic shelter capacity, which is limited and high-barrier. At this time, the Heat Shelter has opened, but there remain gaps in their volunteer coverage that may result in sporadic closures between now and March. We continue to push for long-term, permanent solutions with no barriers to entry, and are considering a request to PATH Foundation for technical assistance to enable outside facilitation and strategic direction for the subject.
- It will not show up in the financial reports until February, but we received and processed the first large reimbursement through the PDC Housing Development grant last week. \$200,000 was provided to Skyline Community Action Partnership to support their building purchase in Madison, and we will continue working with them as they renovate the facility to add a sixth unit.

Economic Development & Tourism

- Along with Thomas Jefferson PDC, we solicited proposals for the Comprehensive Economic Development Strategy (CEDS) in the Fall. We received eight proposals and interview three firms before selecting Camoin Associates. My thanks to Michelle and Jennifer, as well as Central Virginia Partnership and GO Virginia Region 9 for their work in reviewing proposals. I encourage each of you with interest in economic development and quality of life to be part of our regional CEDS committee, and to identify private and public-sector partners to participate as part of the process over the next 18 months.

Transportation

- Staff submitted an application to the 2023 Growth and Accessibility Planning Technical Assistance program. The proposed assistance would provide a toolkit or review process to match transportation priorities with funding resources at the regional level. Similar tools have been developed for a few other regions in the state in previous rounds.
- Kristin Lam Peraza and the Regional Transportation Collaborative have developed presentations and resources to share the RTC model with other regions across Virginia. This has included presentations to the Thomas Jefferson PDC Regional Transit Partnership and other partners working with the Department of Rail and Public Transportation.
- The FAMS Call Center has rebranded to the RTC Mobility Center to reflect the wider variety of services and access points for mobility management in the region. More information is being shared over the next month.

Environmental & Natural Resources

- The RRRC Food Council will have a new Chair in December following Ray Pickering's retirement from Fauquier County. Ruth Welch will be the new Chair, and the Council currently has vacancies from Fauquier and Madison counties.
- Staff responded to a follow up request on our Community Flood Preparedness Fund application to the Department of Conservation and Recreation. The follow-up request sought additional details on the budget request, including a consultant cost proposal, as well as evidence of local comprehensive plans and floodplain ordinances. We anticipate hearing yes or no on the grant by the end of December.

Emergency Planning & Hazard Mitigation

- We continue to wait on award from VDEM and FEMA for the regional Hazard Mitigation plan update. We submitted application materials in December 2021 and our five-year plan expiration is December 2023. We do have a consultant cost proposal to complete the plan update, so I anticipate being able to move quickly once we have award and contract from VDEM.

Local Technical Assistance

- We are working with Madison County to support the County's Comprehensive Plan update. Jennifer Little is our staff lead on the project and a kickoff meeting with the County's steering committee was held in November with work to continue through 2023
- Supported Town of Remington application to DHCD for Community Development Block Grant program to support downtown revitalization and continued focus on pedestrian safety in Town
- Michelle Edwards continues to participate with partners at the Carver Center on a strategic planning process for ag and natural resource partners working at the facility.
- The quarterly Regional Planners Roundtable meeting will be held tomorrow, December 15th, with a focus on transportation and economic development, as well as ongoing identification of growth areas in the region. We had great turnout for the first meeting in August.
- Supported initial discussions of regional approaches to Opioid Abatement funding and partnership opportunities with Chief Administrative Officers and Rappahannock-Rapidan Community Services
- John Otto and I participated in a kickoff meeting with Culpeper County, VDOT and county consultants focused on priority corridors in the County in late November



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 6, 2022
Subject: PDC Housing Development Program

In February, the Commission approved a recommended allocation of funding received from Virginia Housing to support six housing developments submitted in response to the proof of concept and proposal requests in late 2021. Since that time, staff have successfully completed four agreements with project partners based on additional funding awards and/or clarification of other outstanding items following the funding allocation.

At the meeting on December 14th, staff will provide an update on the four developments under agreement, as well as status of the other two developments along with a request for revised allocations, and will also provide an update on the Regional Housing Strategies based on meetings with local partners over the past several months.

REQUESTED ACTION: Consider approval of revised allocations for PDC Housing Development program

Regional Housing Strategy Plan update

To date, as a part of the overall goal to support localities with planning support, RRRC staff reviewed the housing study outcomes and collected and analyzed additional data to gain a well-informed understanding of housing across the region. The outcomes of this work began creating the blueprint of a Housing Strategy Plan for the Region and working towards potential opportunities for future regional housing partnership or alliance. To build this partnership, staff recognized that the region could benefit from broad-visioned Housing Strategy Plan that served to support an awareness of housing conditions and unmet need.

Considering the community indicators provided by the data collected, staff created data-informed goals and objectives, which may be reviewed and revised by any formal or informal housing partnership, should one be formed. As staff continues to work on the process of developing a Housing Strategy Plan, the next steps anticipated will be to invite reviewers and feedback from local planning staff, housing organizations and Foothills Housing Network partners, and other interested individuals as identified. Included is a sample of the Housing Strategy Plan to demonstrate the progress staff is making.

Chapter 3. Aligning Opportunities

American Planning Association and its Chapters recognize and support ongoing and expanded efforts to build market rate and workforce housing in rural locations (American Planning Association, 2019).

Following the assessments described in Chapter 2, the next step is to identify where issues of a regional nature exist and identify the opportunities to address the housing need demand based on the existing household population. The following sections in this chapter are intended to help inform avenues of actions that could be taken on through a region-local partnership.

Section 3.1 Regional Goals and Objectives

A component of the regional housing program is to identify region-local housing goals with state-level goals, the local comprehensive planning housing goals and align them with recommendations of the housing study and the 2001 Regional Vision. As these were incorporated into a framework, the following three goals emerged as pillars of the Regional housing strategy:

- 
Encourage attainable housing.
- 
Encourage missing middle and diverse housing strategies.
- 
Seek innovative solutions that promote sustainability and resiliency.

Encourage attainable housing. To increase awareness of the state of housing needs and address misperceptions of affordable housing and growth.

Encourage missing middle and diverse housing strategies. To identify variety of best practices and encourage a variety of housing model solutions that align with the diversity of households and shifting demographics of the region.

Seek innovative solutions that promote sustainability and resiliency. To identify housing and other programs best practices that encourage and support resilient communities and preserving the rural nature of the region.

25

Encourage attainable housing solutions

To increase awareness of the state of housing needs and address misperceptions of affordable housing and growth.

Recognize the value of affordable housing and encourage private sector development of low and moderate priced dwelling units.

Culpeper County Comprehensive Plan, 2015

Did you know?
More than 30% of Americans age 18 to 35 live with their family, largely due to income and debt –to- housing costs ratios do not align and may include lack of higher income opportunities in their communities.
American Planning Association 2019

- Explore and identify common public misperceptions of affordable housing and growth.
- Leverage data and research to identify affordable housing barriers and promote equitable strategies that align with the diversity of household composition and income.
- Preserve or enhance existing and identify new partnerships and equip partners with the data and resources to improve housing attainability and affordability.

"Affordable and workforce housing will be defined as homes with small footprints designed and constructed as well as any other home. Such housing will be interspersed within [the region] rather than clustered in traditional low-income projects. [and] ...facilitate a greater percentage of owner-occupied dwellings than presently exists...."

Theme 10, Town of Orange Comprehensive Plan, September 2006/ November 2011

Encourage missing middle and diverse housing strategies.

To identify variety of best practices and encourage a variety of housing model solutions that align with the diversity of households and shifting demographics of the region.

- Explore and identify housing that align with the need-demand of workforce households.
- Identify and explore applicable diverse housing solutions that improve the quality of life for all the region's citizens.
- Explore local- regional opportunities and policy strategies that support missing middle housing development.

"Create a variety of housing types, including affordable and workforce housing, to meet the range of anticipated family income distributions of future residential growth."

Goal P1S8, Town of Orange Comprehensive Plan, Nov. 2011

A diverse workforce requires diverse housing options. Without abundant choices, workers will have to trade affordability for longer commutes...

Housing Forward Virginia; State of Housing #5; 2022

"...there is no defensible rationale grounded in health, safety, or public welfare for effectively mandating a 3,000-ft² house with one unit while prohibiting three 1,000-ft² units within the same building envelope....permitting a range of "missing middle" housing types better positions communities to meet demographic changes, solve housing affordability issues and promote diversity in communities. ...[including] Incentivizing missing middle housing in single-family zoning districts in particular can create more affordable housing options, address segregation and inequality, and moderate overall housing costs."

McGuireWoods, Zoning and Segregation in Virginia, Parts 1 & 2, 2022

Seek innovative solutions that promote sustainably and resiliency.

To identify housing and other programs best practices that encourage and support resilient communities and preserving the rural nature of the region.

“...available housing must be compatible with the accessible employment to ensure a local balance between the population and economic development.”

Town of Culpeper Comprehensive Plan, adopted 2018

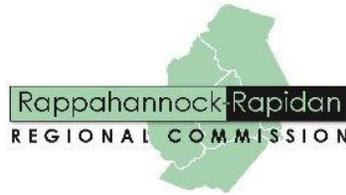
“Adequate housing is fundamental for individual success, including employment, schooling, childcare and health...
The potential for accessible employment opportunities, quality education, safety and access to public services are ultimately affected by a home’s geography.”

McGuireWoods publication, Zoning and segregation In Virginia Part 1, 2021

- Identify, encourage, and support resource development based on innovative solutions that promote rural preservation and sustainability.
- Identify and encourage programs and solutions that embody community-based strategies, promote resiliency and sustainability.
- Enhance existing and identify new partnerships that support and promote community-based strategies.
- Preserve, enhance, or develop housing programs.

“...offering a range of housing types, including “missing middle” housing types, provides options to meet demographic changes and promote diversity in communities...[including] Incentivizing missing middle housing in single-family zoning districts in particular can create more affordable housing options, address segregation and inequality, and moderate overall housing costs.”

McGuireWoods publication; Zoning and Segregation in Virginia Study Part 1, 2021



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 6, 2022
Subject: RRRC Application to DRPT for FY 2024 Commuter Assistance Program

RRRC has managed and overseen the RRRC Commuter Services program for more than 25 years, with the Department of Rail and Public Transportation serving as the granting agency for the program. In 2021, the funding program was rebranded as the Commuter Assistance Program, rather than the Transportation Demand Management program, in order to better reflect the primary program goal of reducing single occupancy vehicle (SOV) trips.

Funding from this grant supports 1.5 full-time equivalent staff at the Commission, along with outreach, advertising, and marketing initiatives related to rideshare and ridematching services. The funding requested from DRPT for the CAP Operating grant program is \$132,148 and the 20% local match amount of \$33,037 will be met via funding received from RRRC's per capita dues requests to our member jurisdictions.

Due to the grant application deadline, Commission staff is requesting approval to submit the grant application by the February 1st deadline, and we will request certification of the final application at the February meeting.

REQUESTED ACTION: Approval for RRRC staff to submit the FY 2024 Commuter Assistance Program grant application to the Department of Rail and Public Transportation and to authorize the Executive Director to execute the contract documents upon successful receipt of the grant.



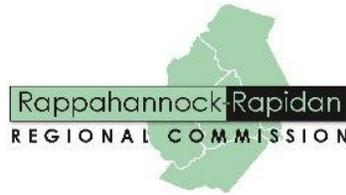
Rappahannock-Rapidan Regional Commission

Resolution Certifying Funding Request to the Virginia Department of Rail and Public Transportation Commuter Assistance Program Operating Program for Fiscal Year 2024

BE IT RESOLVED by the Rappahannock-Rapidan Regional Commission that the Executive Director is authorized, for and on behalf of the Rappahannock-Rapidan Regional Commission, hereafter referred to as the **PUBLIC BODY**, to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the **DEPARTMENT**, for a grant of financial assistance in the amount of \$132,148 to defray eighty percent (80%) of the costs borne by the **PUBLIC BODY** for a ridesharing program and other public transportation purposes and to accept from the Department grants in such amounts as may be awarded, and to authorize the Executive Director to furnish to the **DEPARTMENT** such documents and other information as may be required for processing the grant request.

The Rappahannock-Rapidan Regional Commission certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the **PUBLIC BODY** will provide funds in the amount of \$33,037, which will be used to match the state funds in the ratio required in such Act, that the records of receipts of expenditures of funds granted the **PUBLIC BODY** may be subject to audit by the **DEPARTMENT** and by the State Auditor of Public Accounts, and that funds granted to the **PUBLIC BODY** for defraying the expenses of the **PUBLIC BODY** shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting Executive Director of the **PUBLIC BODY** certifies that the foregoing is a true and correct copy of a Resolution, adopted by the Rappahannock-Rapidan Regional Commission on the 14^h day of December, 2022.

Patrick L. Mauney, Executive Director
December 14, 2022



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 6, 2022
Subject: Regional Legislative Platform

As you may recall from previous years, Mr. Eldon James has provided a draft legislative platform for the region ahead of the 2023 General Assembly session under his current contract with Fauquier County that includes a task for regional legislative services. The draft platform does include revisions from last year's platform and was reviewed by County Administrators and Town Managers previously:

- Elevated Mental Health Services, with TDO references, to Priority Issue -- This issue appears to be a priority for several regions/localities for 2023 and may have some traction with the General Assembly.
- Moved Children's Services Act from Priority Issues to Other Issues
- Revised Broadband issue to reference locality investments and desire for state to look at options for reconciling those investments
- Revised Transportation section to remove sections no longer relevant
- Added 'Regulation of Event Spaces' under other issues
- Strengthened language within the 'Local Land Use Authority and Affordable Housing' section under other issues
- Removed Public Meetings of Regional Bodies section under other issues (resolved)

The Commission is asked to consider endorsement of the legislative priorities or identify additional items for inclusion.

REQUESTED ACTION: Consider endorsement of the Regional Legislative Platform

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DRAFT 11/8/22

PRIORITY ISSUES

Broadband

- The Region strongly supports continued enhanced state funding for expanded broadband capacity as well as strengthened local authority to deploy broadband directly or through public-private partnerships. While great strides have been made in expanding access and delivery of broadband services in the region, in many cases this was due to our “all hands on deck” approach to delivering the broadband access our citizens needed. Our counties expended millions of dollars on our own before COVID-19 pandemic relief started flowing in the form of CARES Act and ARPA monies. The addition of thousands of county broadband customers during the pandemic would not have been possible but for local funding. The Region requests that the state reconcile pre-and-start-of-pandemic local funding for the expansion of broadband access with current state (VATI) and federal broadband dollars. As is the case in virtually all of our counties, serving the last twenty percent of customers is the most expensive segment.

Education Funding and the Pandemic

- The Region continues to be concerned by the trend of declining state financial support for K-12 education. The Region encourages the Commonwealth to reverse this trend, including among other things, funding the Standards of Quality to include **School Resource Officers (SROs) in all schools**. As with several pandemic-related funding pots, our counties expended massive amounts of local dollars pre-pandemic to have SROs in our schools. Recognition of this local effort should be taken into account in the current and future allocation of state funds.
- In response to the pandemic, the General Assembly provided no-loss funding to hold localities harmless from the negative impact on state ADM payments due to reduced enrollment. **The Region strongly encourages the Assembly to support extension of this “hold-harmless” in FY24.**

Mental Health Services

- The Region strongly supports a sustained focus on Virginia’s mental health services system to ensure, through evaluation and investment, that appropriate and effective outpatient and in-patient services are available across the Commonwealth. Near-term funding measures to enable state hospitals to receive admission of individuals subject to temporary detention orders without delay will alleviate one current crisis of human resource/workforce development issues in the public safety sector.

OTHER ISSUES

Transportation

- **The Region supports efforts to enhance transportation funding, including support for the secondary road system.** The Region encourages the State to ensure adequate state funding for Smart Scale and Revenue Sharing programs, and to ensure that Federal transportation funding is targeted to transportation needs across the Commonwealth, including critical transportation infrastructure in rural regions. Growing transportation needs and the deterioration of critical

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transportation infrastructure, e.g., roads and bridges, is creating detrimental impacts to economic vitality and safety across the region. State law should be amended to allow State of Good Repair funds to be used for preventative bridge repair or reconstruction.

- The Region applauds the efforts made over the past several years to adequately fund our growing transportation needs. Sound decision-making must continue to recognize the linkage between land-use and transportation decisions to achieve cost-effectiveness and to retain quality of life.
- We recognize that the General Assembly and the Administration will continue to review the structure of our transportation system and may consider the potential for devolution of certain functions that have been the responsibility for the Commonwealth for almost a century, such as the secondary road network. **The Region is opposed to devolution of state transportation responsibilities to counties** and we urge the Administration and the General Assembly to work collaboratively with local governments during such reviews.
- **The Region supports efforts to improve rail capacity along the Route 29 corridor.** As part of this effort the Region encourages the Commonwealth to work cooperatively with the Region's localities to identify potential alternatives and to consider the potential impacts such efforts can have on property owners in or near the corridor.
- The region supports efforts to identify a steady, reliable transit capital program revenue stream in support of safe and efficient transit operation, and to support creative solutions to address transportation needs for disadvantaged populations in rural regions where public transit may not be feasible.

Tax Reform and Local Revenues Generally

- The compromise forged in the budget negotiations in the 2022 General Assembly protects local revenues, especially for K-12 education, public safety, and transportation. Any further tax repeal efforts in the 2023 General Assembly must include local revenue replacement for these critical local programs.
- Local taxes such as the Business Professional and Occupational License tax (BPOL) and the Machinery and Tools tax (M&T) are frequently mentioned as taxes the General Assembly should consider for elimination. We recognize the need to promote business growth and support efforts to do so but those that can result in reducing local services that support economic development or raising other taxes will undermine the intended purpose.

Local Real Estate Tax

- Regarding state mandated Virginia constitution-required local real estate tax relief, the Commonwealth is requested to subsidize local real estate tax relief for disabled veterans and surviving spouses of members of the United States Armed Forces killed in action when more than one percent of a locality's real estate tax base is lost due to such state-mandated tax relief programs. The Commonwealth would subsidize only that portion of tax-exempt real estate that exceeds the one percent threshold. The Governor would include in the Budget Bill an appropriation of the amount of state subsidy to be provided to localities certified as eligible.

Children's Services Act

- Since its foundation in 1992, the Virginia Children's Services Act has led the nation by consolidating funding sources and carefully coordinating treatment services for children with severe and significant needs. This care coordination has proven successful in both meeting needs for individual children, and in proving that state and local responsibility and cost sharing

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can and does work. The Region encourages the implementation of local or regional pilots that demonstrate how local school systems can successfully meet the educational requirements for special needs students.

- The Region supports equitable cost-sharing between the state and localities for the costs involved in the placements of children in residential treatment facilities for non-educational reasons. Further, the state is encouraged to develop and fund services that address the root cause of issues that bring children and families into the CSA, lest the CSA program will continue as an expensive “catch-up” approach to addressing the complex needs of children and families.

Regulation of Event Spaces

- The Region opposes exemption to local review and enforcement of building, fire, and other health and safety regulations for event and assembly spaces.

Chesapeake Bay Restoration and Stormwater Management

- The Region supports efforts to continue to restore and protect the Chesapeake Bay but opposes additional nutrient regulations on wastewater treatment facilities that are scientifically unsound, economically infeasible, or unnecessary for meeting the Commonwealth’s goals. The Region supports enhanced state financial support for implementing WIP III requirements including increased funding for the Stormwater Local Assistance Fund (SLAF) and continued efforts to improve administrative efficiencies of the state-local relationship.

Alternative On-Site Septic Systems (AOSS)

- AOSS are an important means of safely treating wastewater in areas where traditional septic treatment systems will not work. With regulation of these systems vested largely with the Virginia Department of Health localities have limited ability to respond when an AOSS unit does not meet treatment standards. **The Region encourages the General Assembly to provide adequate authority for VDH or localities to respond to AOSS failures** to protect the public health and water quality especially in circumstances where an AOSS owner refuses to properly care for the system or when the owner cannot afford to make needed repairs or improvements.

Water Supply

- The Region is concerned about safe, adequate, and affordable water supply for human consumption and economic development. The Region supports policies and financial investments by the Commonwealth that promotes long-term solutions to the needs of our communities for a safe and reliable water supply.

State Funding for Local and Regional Jails

- We support additional improvements to per diem rates to more adequately reflect the costs of caring for incarcerated individuals, including regularly adjusting the payment for inflation in line with the Consumer Price Index so that per diem payments keep pace with actual costs, such as is done with other areas of the budget (e.g., Standards of Quality)

State Funding for Local Police Departments

- The General Assembly is requested to honor its commitment to local governments and public safety by funding the HB 599, Aid to Localities with Police Department program according to statute.

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Economic and Workforce Development

- Workforce development issues touch on every area of public policy covered in the Region’s legislative program. From Pre-K-12 teachers, to mental health/social workers, to workers in the specialized industries, all areas are woefully under-staffed and resourced. A comprehensive strategy to right the ship must be found and executed upon. For these reasons, the Region supports continued efforts by the Commonwealth to enhance a broader-based economy and increase private sector employment opportunities. The Region further supports enhanced funding of workforce training programs to support credential attainment by workers who support businesses and industries essential to the new Virginia economy.

Local Land Use Authority and Affordable Housing

- The Region strongly supports the maintenance of all existing authority of local government for planning, zoning and related activities. While efforts to enhance a broader-based economy rightly include examination of local rules and regulations that can impact private investment decisions, such examination must balance the economic goals with the goals of protecting existing communities and property rights. Decisions impacting our neighborhoods and communities are most appropriately made at the neighborhood and community level. Enhanced local authority to promote affordable housing is important to facilitating workforce housing, a key element of local economic development.

Substance Abuse

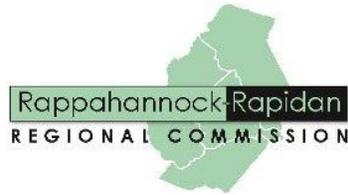
- According to the American Public Health Association (APHA), every 19 minutes, someone in the United States dies from an unintentional prescription drug overdose. This epidemic is having devastating impacts on families and communities. The Region supports legislative and educational efforts to emphasize prevention and address misuse. The APHA recommends legislation to address physical and mental status examination, doctor shopping, tamper-resistant prescription form requirements, regulation of pain management clinics, prescription drug monitoring, prescription drug overdose emergency response immunity and access to naloxone. Emergency community-based support systems need strengthening to enable local agencies to respond to the needs of impacted families.

Potential Issue if Thomas Jefferson PDC includes in their legislative program:

Virginia Business Ready Sites Program

The Virginia Business Ready Sites Program is a discretionary program to promote development and characterization of sites to enhance the Commonwealth of Virginia’s infrastructure and promote its competitive business environment. The program’s goal is to identify and assess the readiness of potential industrial sites of at least 100 contiguous acres. However, there are proposed sites in GO Virginia Region 9 that would be able to benefit if the threshold were lowered from 100 to 50 acres. The Region supports either: 1) changing the minimum acreage eligible for site development grants from 100 acres to 50 acres; or adding GO Virginia Region 9 to the current Regions 1 and 2 as regions in which the lower threshold applies.

The Regional Legislative Program Point of Contact is Eldon James, Legislative Liaison, 540-907-2008; Fax 804-644-5640; ejames7@me.com www.EldonJamesAssociates.com; Laura Bateman, Assistant Legislative Liaison, 804-405-5643; laura@batemanconsulting.net



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 6, 2022
Subject: Formation of Nominating Committee

As you may recall, Commission officers serve one-year terms beginning March 1st of each year and may serve two consecutive terms. A nominating committee is appointed each December to develop a slate of Offices and At-Large Executive Committee members. Traditionally, the sitting Executive Committee has served as the nominating committee, but other members are able to serve in addition to the Executive Committee.

Presently, Fauquier County, the Town of Culpeper, the Town of Gordonsville, the Town of Orange and the Town of Washington are represented on the Executive Committee.

As a reminder, the Chair, Vice-Chair and Treasurer are completing their second terms, and the Commission will need to identify new appointees for each Officer role.

REQUESTED ACTION: Formation of a Nominating Committee to identify a slate of Officers for terms beginning March 1, 2023