

CRATER PLANNING DISTRICT COMMISSION

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

CRATER PLANNING DISTRICT COMMISSION

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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CRATER PLANNING DISTRICT COMMISSION

DIRECTORY OF PRINCIPAL OFFICIALS

Commissioners

Chesterfield County:

Kevin P. Carroll
Jim Ingle
Natalie Spillman
Mr. Jacob R. Newton

City of Colonial Heights:

Douglas E. Smith
John T. Wood

Dinwiddie County:

Kevin Massengill
Dr. Mark E. Moore

City of Emporia:

William E. Johnson

Yolanda Hines

Greensville County:

James Brown
Linwood E. Pope, Jr.

Charles City County:

Michelle Johnson
Michael Hill

City of Hopewell:

Dr. Concetta Manker
Dominic R. Holloway, Sr.
Michael B. Harris

City of Petersburg:

John M. Altman, Jr.
Samuel Parham
Bernard H. Howard

Prince George County:

Steve McDonough
Marlene J. Waymack
David W. Clements

Surry County:

Melissa Rollins
Dr. Robert L. Elliott, Jr.

Sussex County:

Richard Douglas
Eric Fly

Officers

Michelle Johnson, Chair
Samuel Parham, Vice-Chair
Melissa Rollins, Treasurer

E. Jay Ellington, Executive Director



Independent Auditors' Report

**To the Commissioners
Crater Planning District Commission
Petersburg, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crater Planning District Commission (the "Commission") as of and for the year ended June 30, 2023, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crater Planning District Commission, as of June 30, 2023, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Crater Planning District Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crater Planning District Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crater Planning District Commission's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, on our consideration of Crater Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crater Planning District Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crater Planning District Commission's internal control over financial reporting and compliance.

Richmond, Virginia
June 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Commissioners Crater Planning District Commission Petersburg, Virginia

Presented here is the Management's Discussion and Analysis Report for the Crater Planning District Commission ("CPDC") for the fiscal year ending June 30, 2023. Responsibility for the accuracy of the data and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the CPDC's financial position, and the result of operations of the various funds of the CPDC. All disclosures necessary to enable the reader to gain an accurate understanding of the CPDC's financial activities have been included.

The Executive Director and the Finance Officer are responsible for establishing an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual, and human resource assets of the CPDC are protected from loss, theft, and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles ("GAAP"). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the CPDC using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the CPDC's financial statements. This annual report consists of four components:

1. Management's Discussion and Analysis
2. Basic Financial Statements
3. Required Supplementary Information
4. Other Supplementary Information

Basic Financial Statements

The statement of net position presents information on all of the CPDC's assets, liabilities, and net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the CPDC is improving or deteriorating.

The statement of activities shows the actual revenues and expenditures of the CPDC for the fiscal year ending June 30, 2023, and the resulting excess of revenues over expenses. It is important to realize that the CPDC, while not in the business of making a profit, should be managed in such a way to assure that balances are available for the continuation of services.

The CPDC adopts an annual operating budget in June for each fiscal year. A budgetary comparison has been provided to demonstrate compliance with the budget. The actual revenues and expenditures are compared to those budgeted for the fiscal year and the resulting variance is calculated.

Finally, the resulting excess of revenues over expenditures are added (or subtracted if expenditures exceeded revenues) from the fund balance at the beginning of the year. This results in the new unrestricted net position balance or “operating reserve”. The “operating reserve” is the funds that the CPDC uses for those programs, studies, and tasks not otherwise funded by a grant.

The MD&A is intended to explain significant changes in the financial position and differences in operations between the current and prior years.

The notes following the financial statements provide additional information that is essential to a full understanding of the data provided in the statement of financial position and the statement of revenues, expenditures and changes in fund balance statements.

Government-Wide Financial Analysis

	<u>Net Position</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 1,870,185	\$ 1,684,239
Notes receivable, long-term	194,245	123,301
Capital assets	<u>346,626</u>	<u>340,112</u>
 Total assets	 \$ <u>2,411,056</u>	 \$ <u>2,147,652</u>
Current liabilities	\$ 816,548	\$ 363,233
Long-term liabilities	<u>25,120</u>	<u>35,971</u>
Total liabilities	<u>\$ 841,668</u>	<u>\$ 399,204</u>
 Net position:		
Net investment in capital assets	\$ 339,974	\$ 340,112
Unrestricted	<u>1,229,414</u>	<u>1,408,336</u>
Total net position	<u>\$ 1,569,388</u>	<u>\$ 1,748,448</u>

Current assets are comprised of cash and certificates of deposit, accounts receivable, prepaid expenses, and current maturities of notes receivable. These are resources available to the CPDC for on-going operations.

Capital assets consist primarily of office building and furniture and equipment used for the operation of the CPDC. Assets that have been purchased with funds from a grantor may revert to the grantor in the event the program is discontinued.

Current liabilities are the obligations of the CPDC. This category includes accounts payable and accrued expenses.

Long-term liabilities of the CPDC is comprised of compensated absence liabilities.

Statement of Activities

Changes in net position for the years ending June 30, 2023 and 2022 are as follows:

	<u>Change in Net Position</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Operating revenues, and contributions	\$ 730,082	\$ 732,886
Unrestricted revenue	<u>1,538,494</u>	<u>1,631,169</u>
Total revenues	<u>\$ 2,268,576</u>	<u>\$ 2,364,055</u>
Expenses:		
General and administrative	\$ 1,278,451	\$ 1,211,919
Project costs	<u>1,169,185</u>	<u>1,167,157</u>
Total expenses	<u>\$ 2,447,636</u>	<u>\$ 2,379,076</u>
Change in net position	\$ (179,060)	\$ (15,021)
Net position - July 1	<u>1,748,448</u>	<u>1,763,469</u>
Net position - June 30	<u>\$ 1,569,388</u>	<u>\$ 1,748,448</u>

Economic Factors, Rates and 2022-2023 Budget

The CPDC is the eleventh largest planning district in the Commonwealth of Virginia. The Crater Region is poised for further growth and to that end the CPDC is positioning itself to maintain the level of service to its member governments.

Every effort is made on the part of the Administrative staff to accurately predict revenues and expenses for the upcoming year so that staff can provide the Board with the best estimates of the current and upcoming fiscal years. Factors such as regional economy, past spending patterns, past funding, and population growth estimates are taken into consideration to develop estimates for current and future revenues and expenses.

Contacting CPDC's Financial Management

This financial report is to provide Federal, State, and Local grantors, as well as member localities, with a general overview of the CPDC's finances and to show accountability for the money it receives. If you have questions about this report or need to get additional information, contact the Executive Director at Post Office Box 1808, Petersburg, Virginia 23805, and phone (804) 861-1666.

Statement of Net Position
Year Ended June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 857,340
Certificates of deposit	105,431
Accounts receivable	
Governmental Agencies	857,415
Miscellaneous	18,556
Notes receivable, current maturity	19,534
Prepays	11,909
	<u>1,870,185</u>
Total current assets	
	\$ 1,870,185
Noncurrent assets:	
Notes receivable, long-term, net of current maturities and allowance of \$7,079	\$ 194,245
	<u>194,245</u>
Total noncurrent assets	
	\$ 194,245
Capital assets:	
Non-depreciable	
Land	\$ 161,417
Depreciable	
Building and improvements	453,092
Equipment	13,887
Lease equipment	14,505
Accumulated depreciation	(296,275)
	<u>346,626</u>
Total capital assets, net	
	\$ 346,626
Total assets	
	<u>\$ 2,411,056</u>
LIABILITIES	
Current liabilities:	
Accounts payable and other liabilities	\$ 538,849
Unearned revenue	271,954
Compensated absences, current portion	2,421
Lease liabilities, current portion	3,324
	<u>816,548</u>
Total current liabilities	
	\$ 816,548
Noncurrent liabilities:	
Compensated absences, noncurrent portion	\$ 21,792
Lease liabilities, noncurrent portion	3,328
	<u>25,120</u>
Total noncurrent liabilities	
	\$ 25,120
Total liabilities	
	<u>\$ 841,668</u>
NET POSITION	
Net investment in capital assets	\$ 339,974
Unrestricted	1,229,414
	<u>1,569,388</u>
Total net position	
	\$ 1,569,388
Total liabilities and net position	
	<u>\$ 2,411,056</u>

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

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities					
General government administration	\$ 1,278,451	\$ -	\$ 730,082	\$ -	\$ (548,369)
Economic development	1,169,185	-	-	-	(1,169,185)
Total governmental activities	<u>2,447,636</u>	<u>-</u>	<u>730,082</u>	<u>-</u>	<u>(1,717,554)</u>
Total primary government	<u>\$ 2,447,636</u>	<u>\$ -</u>	<u>\$ 730,082</u>	<u>\$ -</u>	
General Revenues					
Local governmental subdivisions				\$	166,036
Commonwealth of Virginia					164,551
Interest income					6,596
Miscellaneous					1,201,311
Total general revenues				\$	<u>1,538,494</u>
Change in net position				\$	(179,060)
Net position, beginning of year					<u>1,748,448</u>
Net position, end of year				\$	<u>1,569,388</u>

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

Balance Sheet
Year Ended June 30, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Total Government Funds</u>
Assets:			
Cash	\$ 116,038	\$ 741,302	\$ 857,340
Certificates of Deposit	105,431	-	105,431
Accounts receivable:			
Governmental agencies	713,282	144,133	857,415
Miscellaneous	18,556	-	18,556
Notes receivable, less allowance of \$7,079	-	213,779	213,779
Due from Special Revenue Fund	1,099,214	-	1,099,214
Prepays	11,909	-	11,909
Total assets	<u>\$ 2,064,430</u>	<u>\$ 1,099,214</u>	<u>\$ 3,163,644</u>
Liabilities:			
Accounts payable	\$ 538,849	\$ -	\$ 538,849
Due to General Fund	-	1,099,214	1,099,214
Unearned revenue	271,954	-	271,954
Total liabilities	<u>\$ 810,803</u>	<u>\$ 1,099,214</u>	<u>\$ 1,910,017</u>
Fund Balance:			
Unassigned	\$ 1,253,627	\$ -	\$ 1,253,627
Total fund balance	<u>\$ 1,253,627</u>	<u>\$ -</u>	<u>\$ 1,253,627</u>
Total liabilities and fund balances	<u>\$ 2,064,430</u>	<u>\$ 1,099,214</u>	<u>\$ 3,163,644</u>

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

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Year Ended June 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance per Exhibit 3 - Balance Sheet - Governmental Funds \$ 1,253,627

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Non-depreciable assets

Land \$ 161,417

Depreciable assets

Building and improvements 453,092

Equipment 13,887

Lease equipment 14,505

Total capital assets 642,901

Less accumulated depreciation (296,275) 346,626

Long-term liabilities related to the governmental fund activities are not due and payable in the current period and, therefore, are not reported in the governmental funds

Compensated absences \$ (24,213)

Lease liabilities (6,652) (30,865)

Net position of governmental activities \$ 1,569,388

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General Fund	Special Revenue	Total Governmental Funds
Revenues			
Local government subdivisions	\$ 166,036	\$ -	\$ 166,036
Commonwealth of Virginia	164,551	-	164,551
Federal grants	730,082	-	730,082
Interest income	6,596	-	6,596
Miscellaneous	1,201,311	-	1,201,311
Total revenues	<u>\$ 2,268,576</u>	<u>\$ -</u>	<u>\$ 2,268,576</u>
Expenditures			
Direct charges:			
Personnel services	\$ 413,024	\$ 980,732	\$ 1,393,756
Employee benefits:			
Retirement	\$ 67,884	\$ 122,235	\$ 190,119
Hospitalization	79,624	49,400	129,024
Life and Long-Term Care insurance	3,260	3,507	6,767
Disability insurance	1,334	1,383	2,717
Payroll taxes	11,963	24,241	36,204
Total employee benefits	<u>\$ 164,065</u>	<u>\$ 200,766</u>	<u>\$ 364,831</u>
Contractual services:			
Audit and accounting	\$ 95,400	\$ -	\$ 95,400
Contract services	367,238	-	367,238
Marketing	1,668	-	1,668
Bid match software	7,000	-	7,000
Total contractual services	<u>\$ 471,306</u>	<u>\$ -</u>	<u>\$ 471,306</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General Fund	Special Revenue	Total Governmental Funds
Overhead:			
Capital Outlay	\$ 26,834	\$ -	\$ 26,834
Copier use allowance	13,153	-	13,153
Postage	616	-	616
Telecommunications	10,454	-	10,454
Liability insurance	5,077	-	5,077
Maintenance and repairs	71,140	-	71,140
Supplies	8,338	-	8,338
Meetings and conferences	8,453	-	8,453
Memberships and subscriptions	19,649	-	19,649
Miscellaneous	28,188	-	28,188
Printing and reproduction	1,244	-	1,244
Rent, equipment and facilities	1,431	-	1,431
Travel, mileage	19,988	-	19,988
Travel, subsistence	1,379	-	1,379
Utilities	14,262	-	14,262
Janitorial services	6,364	-	6,364
Total overhead	\$ 236,570	\$ -	\$ 236,570
Total expenditures	\$ 1,284,965	\$ 1,181,498	\$ 2,466,463
Excess (deficiency) of revenues over (under) expenditures	\$ 983,611	\$ (1,181,498)	\$ (197,887)
Other Financing Sources (Uses)			
Transfers in	\$ -	\$ 1,181,498	1,181,498
Transfers out	(1,181,498)	-	(1,181,498)
Total other financing sources (uses)	\$ (1,181,498)	\$ 1,181,498	\$ -
Net changes in fund balances	\$ (197,887)	\$ -	\$ (197,887)
Fund balance, beginning of year	\$ 1,451,514	\$ -	\$ 1,451,514
Fund balance, end of year	\$ 1,253,627	\$ -	\$ 1,253,627

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

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds \$ (197,887)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded the capital outlays in the current period. The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 26,834	
Depreciation expense	<u>(20,320)</u>	6,514

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is a summary of items supporting this adjustment:

Change in compensated absences	8,364	
Principal retired on leases	<u>3,949</u>	\$ 12,313

Change in net position of governmental activities \$ (179,060)

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

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local government subdivisions	\$ 170,772	\$ 170,772	\$ 166,036	\$ (4,736)
Commonwealth of Virginia	89,971	89,971	164,551	74,580
Federal grants	886,252	886,252	730,082	(156,170)
Interest income	1,000	1,000	6,596	5,596
Miscellaneous	7,600	1,189,098	1,201,311	12,213
Total revenues	\$ 1,155,595	\$ 2,337,093	\$ 2,268,576	\$ (68,517)
EXPENDITURES				
Direct Charges				
Personnel services	\$ 569,553	\$ 569,553	\$ 413,024	\$ (156,529)
Employee benefits				
Retirement	\$ 85,433	\$ 85,433	\$ 67,884	\$ (17,549)
Hospitalization	91,200	91,200	79,624	(11,576)
Life and Long-Term Care insurance	5,536	5,536	3,260	(2,276)
Disability insurance	2,000	2,000	1,334	(666)
Payroll taxes	20,720	20,720	11,963	(8,757)
Workmen's compensation	854	854	-	(854)
Total employee benefits	\$ 205,743	\$ 205,743	\$ 164,065	\$ (41,678)
Contractual services				
Audit	\$ 81,400	\$ 81,400	\$ 95,400	\$ 14,000
Legal	2,000	2,000	-	(2,000)
Contract services	66,897	66,897	367,238	300,341
Marketing	4,000	4,000	1,668	(2,332)
Bid match software	-	-	7,000	7,000
Total contractual services	\$ 154,297	\$ 154,297	\$ 471,306	\$ 317,009

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Overhead				
Capital outlay	\$ 50,000	\$ 50,000	\$ 26,834	\$ (23,166)
Copier use allowance	-	-	13,153	13,153
Postage	1,500	1,500	616	(884)
Telecommunications	10,000	10,000	10,454	454
Liability insurance	4,000	4,000	5,077	1,077
Maintenance and repairs	37,000	37,000	71,140	34,140
Supplies	14,200	14,200	8,338	(5,862)
Meetings and conferences	15,000	15,000	8,453	(6,547)
Memberships and subscriptions	11,552	11,552	19,649	8,097
Miscellaneous	2,901	2,901	28,188	25,287
Printing and reproduction	15,000	15,000	1,244	(13,756)
Rent, equipment, and facilities	1,500	1,500	1,431	(69)
Travel, mileage	20,263	20,263	19,988	(275)
Travel, subsistence	2,500	2,500	1,379	(1,121)
Utilities	13,500	13,500	14,262	762
Janitorial services	5,400	5,400	6,364	964
Total overhead	\$ 204,316	\$ 204,316	\$ 236,570	\$ 32,254
Total expenditures	\$ 1,133,909	\$ 1,133,909	\$ 1,284,965	\$ 151,056
Excess (deficiency) of revenues over (under) expenditures	\$ 21,686	\$ 1,203,184	\$ 983,611	\$ (219,573)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (1,181,498)	\$ (1,181,498)	\$ -
Total other financing sources (uses)	\$ -	\$ (1,181,498)	\$ (1,181,498)	\$ -
Net change in fund balances	\$ 21,686	\$ 21,686	\$ (197,887)	\$ (219,573)
Fund balances - beginning	(21,686)	(21,686)	1,451,514	1,473,200
Fund balances - ending	\$ -	\$ -	\$ 1,253,627	\$ 1,253,627

Combining Statement of Revenues and Expenditures
 General Fund
 Year Ended June 30, 2023

	General Fund	Indirect	Total General (Memoranda Only)
REVENUES			
Local government subdivisions	\$ 166,036	\$ -	\$ 166,036
Commonwealth of Virginia	164,551	-	164,551
Federal grants	730,082	-	730,082
Interest income	6,596	-	6,596
Miscellaneous	1,201,311	-	1,201,311
Total revenues	<u>\$ 2,268,576</u>	<u>\$ -</u>	<u>\$ 2,268,576</u>
EXPENDITURES			
Direct charges:			
Personnel services	\$ 260,096	\$ 152,928	\$ 413,024
Employee benefits:			
Retirement	\$ 3,453	\$ 64,431	\$ 67,884
Hospitalization	12,174	67,450	79,624
Life and Long-Term Care insurance	13	3,247	3,260
Disability insurance	16	1,318	1,334
Payroll taxes	4,220	7,743	11,963
Total employee benefits	<u>\$ 19,876</u>	<u>\$ 144,189</u>	<u>\$ 164,065</u>
Contractual services:			
Audit and accounting	\$ -	\$ 95,400	\$ 95,400
Contract services	268,460	98,778	367,238
Marketing	1,668	-	1,668
Bid match software	7,000	-	7,000
Total contractual services	<u>\$ 277,128</u>	<u>\$ 194,178</u>	<u>\$ 471,306</u>
Overhead:			
Capital Outlay	\$ 26,834	\$ -	\$ 26,834
Copier use allowance	-	13,153	13,153
Postage	-	616	616
Telecommunications	1,521	8,933	10,454
Liability insurance	5,077	-	5,077
Maintenance and repairs	3,756	67,384	71,140
Supplies	1,455	6,883	8,338
Meetings and conferences	2,961	5,492	8,453
Memberships and subscriptions	7,341	12,308	19,649

Combining Statement of Revenues and Expenditures
 General Fund
 Year Ended June 30, 2023

Overhead: (Continued)						
Miscellaneous	\$	11,662	\$	16,526	\$	28,188
Printing and reproduction		235		1,009		1,244
Rent, equipment and facilities		-		1,431		1,431
Travel, mileage		11,719		8,269		19,988
Travel, subsistence		1,379		-		1,379
Utilities		52		14,210		14,262
Janitorial services		-		6,364		6,364
Total overhead	\$	73,992	\$	162,578	\$	236,570
Indirect Charges:						
Indirect costs (79.2607%) of qualified personal service costs and indirect fringe benefits	\$	457,405	\$	(457,405)	\$	-
Fringe benefits (33.3077%) of qualified direct personal service costs indirect fringe benefits		196,468		(196,468)		-
Total indirect charges	\$	653,873	\$	(653,873)	\$	-
Total expenditures	\$	1,284,965	\$	-	\$	1,284,965
Excess of revenues over expenditures	\$	983,611	\$	-	\$	983,611

Combining Statement of Revenues and Expenditures
 Special Revenue Funds
 Year Ended June 30, 2023

	Commonwealth Center for Advanced <u>Logistics Systems</u>	Virginia's Gateway <u>Region</u>	Crater Regional Workforce Investment Board <u>Personnel</u>	Crater Small Business Development <u>Center</u>	Total Special Revenue (Memoranda Only)
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Direct charges:					
Personnel services	\$ 21,094	\$ 589,762	\$ 303,920	\$ 65,956	\$ 980,732
Employee benefits:					
Retirement	\$ 912	\$ 79,607	\$ 31,822	\$ 9,894	\$ 122,235
Hospitalization	-	17,100	32,300	-	49,400
Life and Long-Term Care insurance	-	2,537	758	212	3,507
Disability insurance	-	1,066	248	69	1,383
Payroll taxes	1,743	13,163	8,145	1,190	24,241
Total employee benefits	\$ 2,655	\$ 113,473	\$ 73,273	\$ 11,365	\$ 200,766
Total expenditures	\$ 23,749	\$ 703,235	\$ 377,193	\$ 77,321	\$ 1,181,498
Excess of revenues over expenditures	\$ (23,749)	\$ (703,235)	\$ (377,193)	\$ (77,321)	\$ (1,181,498)

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description and Purpose of Agency:

The Crater Planning District Commission (the “Commission”) was formed in May 1970 under the Virginia Regional Cooperation Act after the General Assembly divided the Commonwealth of Virginia into 22 planning districts.

The Commission is comprised of eleven local governments in South Central Virginia. These are: the Cities of Colonial Heights, Emporia, Hopewell and Petersburg, and the Counties of Chesterfield, Charles City, Dinwiddie, Greensville, Prince George, Surry and Sussex.

The Commission is governed by twenty-eight individuals representing the member local governments. Fourteen of those members are local elected officials. The other members are citizens, some of whom serve on the staffs of local governments.

The Commission’s purpose, as stated in its Charter, is to “promote the orderly and efficient development of the physical, social and economic elements of the Planning District by planning, encouraging and assisting governmental subdivisions to plan for the future.”

The major focus of the Commissions Work Program is economic, industrial and small business development, reflecting the priorities established by the member localities. The Commission is also involved in environmental issues which include local ramifications with respect to the Chesapeake Bay Preservation Act, air quality standard and solid waste management. The Commission also addresses regional transportation issues and assists localities in their transportation planning efforts.

Financial Statement Presentation

Government-wide and Fund Financial Statements:

The basic financial statements include both government-wide (based upon the Commission as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds in a particular type) in the new reporting model, the focus is on either the Commission as a whole or major individual funds (within the fund financial statements). In the government-wide statement of net position, the Governmental Activities are reflected on a full accrual and economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and net position. The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The program revenues must be directly associated with the function (economic development). Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The Commission allocates indirect expenses. The operating grants include operating-specific and discretionary grants.

Fund financial statements are provided for Governmental Funds.

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

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

Government-wide and Fund Financial Statements: (Continued)

The Commission reports the following Governmental Funds:

General Fund is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund. Revenues are derived primarily from eleven local governments in South Central Virginia, as well as the Commonwealth of Virginia.

Special Revenue Funds account for revenue derived from specific sources that are restricted by legal and regulatory provisions to finance specific activities.

Measurement focus and basis of accounting:

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term available is limited to collection within forty-five days of the fiscal year end. Levies made prior to the fiscal year end but which are not available are deferred. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

Deferred revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Notes receivable and allowance for credit losses:

Notes receivable are stated at the amount of unpaid principal. The allowance for credit losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. The allowance is increased by provisions charged to operating expense.

Cash and cash equivalents:

Cash and cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition.

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

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

Valuation of receivables:

Receivables are stated at face amount with no allowance for doubtful accounts because probable uncollectible accounts are immaterial.

Capital assets and long-term liabilities:

Capital assets, which include property, plant and equipment, are reported in the applicable Governmental or Business-Type Activities columns in the government-wide financial statements. The Commission defines capital assets as assets with an initial, individual cost of \$5,000 and recorded as expenditures in the Governmental Funds and as assets in the government-wide financial statements. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and other improvements	30 years
Equipment	3-5 years
Vehicles	5 years
Lease equipment	4-5 years

All capital assets are reported at cost or estimated historical cost if actual cost was not available.

Long-Term Obligations:

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable Governmental Activities statement of net position.

Operating Budget Process:

The Commission follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

Both the General Fund and Special Revenue Fund have a legally adopted combined annual budget. On or before May 1st, the Executive Director submits to the Commission membership a proposed combined operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means for financing those expenditures.

The meetings of the Commission are open for public comment on the budget.

The Commission's budget and work program are legally enacted by an affirmative vote of the Commission's membership.

The Executive Director is charged with implementing the approved budget and work program. Budgetary adjustments must be approved by the Commission.

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's personal services, including fringe benefits, to total personal services, including fringe benefits.

Fringe benefits are allocated using the percentage of benefits to total personal services.

The Commission's operational budget is prepared on the modified accrual basis of accounting.

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

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

Operating Budget Process: (Continued)

State and/or federal shares of unexpended funds are accrued as a liability in the year in which the grant funds are received.

Budgetary amounts are as originally adopted or as amended by the Commission. No supplementary budgetary appropriations were necessary during the fiscal year, which would have affected the total budget.

The Budgetary Comparison Schedule for the operating budget reflects the original budget, revised budget, and actual amounts for the Commission's operating budget. The actual operating revenues of \$2,268,665 were under budget by \$68,428 for the fiscal year ended June 30, 2023. The actual operating expenditures of \$1,284,965 were over budget by \$151,056 for the fiscal year ended June 30, 2023. The significant deviation of budget is related to one project, staff changes and capital outlay.

Compensated absences:

Each year employees accumulate a specified number of days of leave with pay based on years of service. The liability for compensated absences reflects unused leave as of June 30, including applicable employer taxes.

Use of Estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported during that period. Actual results could differ from those estimates.

Fund Balance:

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City Manager prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Manager adopts another ordinance to remove or revise the limitation;

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

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

Fund Balance: (Continued)

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

Commissioners establish (and modify or rescind) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

Assigned fund balance is established by the Executive Director, who has been given the delegated authority by the Commission to assign amounts for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The difference between assets and liabilities in the government-wide statement of net position must be labeled as net position. GAAP further requires that net position be subdivided into three categories: net position invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt, deferred outflows of resources and deferred inflows of resources related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Net Position Flow Assumption:

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

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

Leases:

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

Lessee

The Commission recognizes lease liabilities and intangible right-to-use lease assets (leased equipment) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The leased equipment is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Key Estimates and Judgments

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

- The Commission uses the interest rate stated in lease contract. When the interest rate is not provided or the implicit rate cannot be readily determined, the Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.

Key Estimates and Judgments

- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The Commission monitors changes in circumstances that would require a remeasurement or modification of its leases. The Commission will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) if certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability.

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

The carrying value of the Commission’s deposits with banks was \$962,771 and the bank balance was \$969,799 as of June 30, 2023. The Commission also has a \$50 petty cash fund. Funds of the Commission on deposit in banks were fully protected under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. All of the Commission’s deposits were covered by federal depository insurance or by collateral held by the Virginia State Treasurer under the Virginia Security for Public Deposits Act for the year ended June 30, 2023. Under the Act, banks holding public deposits in excess of the amount insured by FDIC must pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the Act and for notifying local governments of compliance by banks and savings and loans.

Investments

Statutes authorize the Commission to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

The Commission does not have a formal investment policy.

NOTE 3—ACCOUNTS AND GRANTS RECEIVABLE:

Receivables, as of year-end for the Commission’s Special Revenue Fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables			
Governmental agencies	\$ 713,282	\$ 144,133	\$ 857,415
Miscellaneous	18,556	-	18,556
Gross receivables	<u>731,838</u>	<u>144,133</u>	<u>875,971</u>
Less allowance for uncollectibles	-	-	-
Net total receivables	<u>\$ 731,838</u>	<u>\$ 144,133</u>	<u>\$ 875,971</u>

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 4—UNEARNED REVENUE:

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available for current use. At June 30, 2023, unearned revenue consisted of the following:

Petersburg Area Regional Tourism \$ 271,954

NOTE 5—CAPITAL ASSETS:

Governmental Activities

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 161,417	\$ -	\$ -	\$ 161,417
Total capital assets not being depreciated	<u>\$ 161,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,417</u>
Other capital assets:				
Buildings and improvements	432,184	26,752	5,844	453,092
Equipment	13,805	82	-	13,887
Lease equipment	14,505	-	-	14,505
Total other capital assets	<u>\$ 460,494</u>	<u>\$ 26,834</u>	<u>\$ 5,844</u>	<u>\$ 481,484</u>
Accumulated depreciation:				
Buildings and improvements	\$ 265,028	\$ 17,058	\$ 5,844	\$ 276,242
Equipment	13,698	189	-	13,887
Lease equipment	3,073	3,073	-	6,146
Total accumulated depreciation	<u>\$ 281,799</u>	<u>\$ 20,320</u>	<u>\$ 5,844</u>	<u>\$ 296,275</u>
Total capital assets being depreciated, net	<u>\$ 178,695</u>	<u>\$ 6,514</u>	<u>\$ -</u>	<u>\$ 185,209</u>
Total capital assets, net	<u><u>\$ 340,112</u></u>	<u><u>\$ 6,514</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 346,626</u></u>

Governmental Activities Capital Assets, net of accumulated depreciation at June 30, 2023 are comprised of the following:

General governmental capital assets, net	\$	<u>346,626</u>
Total	\$	<u><u>346,626</u></u>

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Governmental Activities (Continued)

Depreciation was charged to government functions as follows:

Economic development	\$	20,320
Total	\$	<u>20,320</u>

NOTE 6—LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions of the Commission for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Compensated absences	\$ 32,577	\$ -	\$ 8,364	\$ 24,213	\$ 2,421
Lease liabilities	10,601	-	3,949	6,652	3,324
Total	<u>\$ 43,178</u>	<u>\$ -</u>	<u>\$ 12,313</u>	<u>\$ 30,865</u>	<u>\$ 5,745</u>

Details of long-term obligations are as follows:

	Total Amount Due	Amount Due Within One Year
Details of long-term obligations:		
Lease liabilities:		
\$3,445 office equipment lease, due in quarterly installments of \$345 through October 2023, interest at 1.51%.	\$ 707	\$ 707
\$11,060 office equipment lease, due in monthly installments of \$224 through September 2025, interest at 1.51%.	5,945	2,617
Total lease liabilities	<u>\$ 6,652</u>	<u>\$ 3,324</u>
Compensated absences	\$ 24,213	\$ 2,421
Total long-term obligations	<u>\$ 30,865</u>	<u>\$ 5,745</u>

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 6—LONG-TERM OBLIGATIONS: (CONTINUED)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Lease Laibilities	
	Principal	Interest
2024	\$ 3,324	\$ 72
2025	2,656	32
2026	672	2
Total	\$ <u>6,652</u>	\$ <u>106</u>

NOTE 7—INTERFUND TRANSFERS:

The Commission has adopted a resolution whereby any excess of expenditures over revenues received or receivable by a grant or project shall be properly chargeable against the unencumbered fund equity of the General Fund of the Commission. The amount charged against the General Fund of the Commission in accordance with this resolution was \$1,181,498 for the year ended June 30, 2023.

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CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 8—INDIRECT COSTS:

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's personnel services, including fringe benefits, to total personal services, including fringe benefits. The indirect cost amounts for the fiscal year ended June 30, 2023 are as follows:

Indirect costs	\$	<u>457,405</u>	
Total personnel services, including fringe benefits	\$	<u>577,089</u>	= 79.2607%

The following items are included in the indirect costs allocated to projects:

Audit and accounting	\$	95,400
Copier use allowance		13,153
Contract services		98,778
Janitorial services		6,364
Maintenance and repairs		67,384
Meetings and conferences		5,492
Memberships and subscriptions		12,308
Miscellaneous		16,526
Printing and reproduction		1,009
Postage		616
Rent, equipment		1,431
Salaries		100,649
Supplies		6,883
Telecommunications		8,933
Travel		8,269
Utilities		14,210
Total indirect costs	\$	<u>457,405</u>

NOTE 9—FRINGE BENEFIT ALLOCATION:

Fringe benefit expense is allocated using the percentage of benefits to total personal services. Components of fringe benefit expense for the year ended June 30, 2023 is shown below:

Retirement	\$	64,431	
Hospitalization		67,450	
Life and Long-Term Care insurance		3,247	
Disability and worker's compensation		1,318	
Compensated absences		52,279	
Payroll taxes		7,743	
Fringe benefit expenses	\$	<u>196,468</u>	
Total direct personnel services	\$	<u>380,621</u>	= 51.6178%

CRATER PLANNING DISTRICT COMMISSION

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 10—VIRGINIA’S GATEWAY REGION:

The Crater Planning District Commission serves as the payroll administrator and benefits provider for Virginia’s Gateway Region.

NOTE 11—PETERSBURG AREA REGIONAL TOURISM (PART):

The Commission provides administrative support to PART, which is a 501(c)(3) regional tourism organization serving the counties of Chesterfield, Dinwiddie and Prince George, and the cities of Colonial Heights, Hopewell and Petersburg. PART received funds through fiscal year ended June 30, 2023 in the amount of \$5,607,961, of which \$5,336,007 has been expended for its intended purpose and accordingly has been recognized as revenue through the fiscal year ended June 30, 2023. The remaining \$271,954 has been reflected as unearned revenue as of June 30, 2023.

NOTE 12—CRATER REGIONAL WORKFORCE INVESTMENT BOARD:

The Crater Planning District Commission serves as the payroll administrator and benefits provider for Crater Regional Workforce Development Board.

NOTE 13—CRATER SMALL BUSINESS DEVELOPMENT CENTER:

The Crater Planning District Commission serves as the payroll administrator and benefits provider for Crater Small Business Development Center.

NOTE 14—COMMONWEALTH CENTER FOR ADVANCED LOGISTICS SYSTEMS (CCALS):

The Crater Planning District Commission serves as the payroll administrator and benefits provider for Commonwealth Center for Advanced Logistics Systems (CCALS).

NOTE 15—POSTRETIREMENT PLANS:

The Commission maintains the “Crater Planning District Commission Profit Sharing Plan”. The Plan provides for annual discretionary contributions up to the maximum allowed by the Internal Revenue Code. Contributions to the Plan are authorized by the Commission and are currently set at 15% of qualifying salaries. The Plan covers substantially all employees with at least six months of service, who have attained the age of 21 and are credited with one thousand (1,000) hours of service in the year. Total contributions made for the year were \$190,119.

In addition, the Commission maintains a 457 plan in which employees can elect through salary reduction to contribute up to limits allowed by the Internal Revenue Code.



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

**To the Commissioners
Crater Planning District Commission
Petersburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crater Planning District Commission (the "Commission"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Crater Planning District Commission's basic financial statements and have issued our report thereon dated June 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crater Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Richmond, Virginia
June 25, 2024